

RATING RATIONALE

6 May 2026

Amba Shakti Udyog Ltd

Brickwork Ratings withdraws the previous bank loan ratings of Rs. 26.01 Crs and assigns/upgrades the long-term and short-term ratings for the bank loan facilities of Rs. 135.00 Crs.

Particulars :

Facilities**	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		Previous (30-Oct-2025)	Present
Fund Based					
Term Loan - Outstanding	11.83	0.00	Long Term	BWR BB - /Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal
Term Loan - Outstanding	8.75	0.00		BWR BB - /Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal
Funded Interest Term Loan - Sanctioned	1.43	0.00		BWR BB - /Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal
Common Covid Emergency Line of Credit (CCECL)-Sanctioned	4.00	0.00		BWR BB - /Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal

Cash Credit - Sanctioned	40.00	40.00	Long Term	BWR BB - /Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR BBB+/Stable removal from ISSUER NOT COOPERATING* category/Upgraded
Cash Credit - Sanctioned	0.00	20.00		-	BWR BBB+/Stable Assignment
Cash Credit - Sanctioned	0.00	50.00		-	BWR BBB+/Stable Assignment
Sub Total	66.01	110.00			

Non-Fund Based

Letter of Credit - Sanctioned	25.00	25.00	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR A2 removal from ISSUER NOT COOPERATING* category/Upgraded
<i>Sub Total</i>	25.00	25.00			
Grand Total	91.01	135.00	(Rupees One Hundred and Thirty Five Crores Only)		

#Please refer to the BWR website www.brickworkratings.com for the definition of the ratings.

**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure

RATING ACTION / OUTLOOK

Brickwork Ratings has assigned the long-term rating at "BWR BBB+/Stable" and upgrades/assigns the long-term and short-term ratings at "BWR BBB+/Stable" and "BWR A2" for the bank loan facilities of Rs. 135.00 Crores.

Brickwork Ratings withdraws the ratings assigned to the previous bank loan facilities aggregating to Rs. 26.01 Crores availed from Punjab National Bank, and the client has also submitted the No Due Certificate based on the closure of the said facilities.

The ratings assigned for the bank loan facilities of Amba Shakti Udyog Ltd continues to drive strength from experienced promoters and management, achievable profitability, adequate liquidity and moderate financial risk profile of the company and BWR has relied upon the FY 23, FY 24 and FY 25 Audited.

The rating outlook has been assigned as "Stable" as BWR believes that Amba Shakti Udyog Ltd business risk profile will be maintained over the medium term. The "Stable" outlook indicates a low likelihood of rating change over the medium term.

The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement.

The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY RATING DRIVERS

Credit Strengths:-

●Extensive experience of promoters with long track record in the steel manufacturing business :

The promoters have extensive experience of about Four decades in the manufacturing of TMT bars through other group companies. This company is established in 2014, but there is long track record of the group. Amba Shakti Udyog Limited is a part of AMBA Group engaged in the steel manufacturing. The Group has established presence in Uttar Pradesh, Uttaranchal, Delhi, Haryana, Maharashtra, Himachal Pradesh and Punjab. The brand name of the products is well known as AMBA SARIA. The major companies of Amba Group are Amba Shakti Steels Ltd and Amba Shakti Ispat Ltd. Risk is low, mitigated by the promoters' deep industry experience and the group's long operational history.

- **Moderate Financial Risk Profile :**

The company has an average financial risk profile as reflected by a low gearing of 0.67x in FY25 on account of high Tangible Net Worth in tune of Rs 110.97 cr in FY25. The coverage ratios as reflected by DSCR and ISCR of the company stand at 2.13x and 1.94X respectively in FY25 indicating company's adequacy to meet its debt obligations. The company has a current ratio of 1.30x in FY25.

- **Year on Year Increasing Tangible Net Worth with Improving margins :**

The company has reported a TNW of Rs. 110.97 Crores in FY25, which is increasing on a year o year basis which strengthens the company's net worth base and the company's Operating Profit Margin improved from 2.11% in FY24 to 3.53 % in FY25 and the Net Profit Margin has also improved from 0.82x in FY24 to 1.49x in FY25.

- **Locational Advantage :**

Amba Shakti Udyog Ltd (ASUL) benefits from strategic locations, particularly its Banmore, Gwalior (Madhya Pradesh) plant, which offers proximity to raw materials and excellent road/rail connectivity to northern and central Indian markets. These locations enable efficient logistics, timely procurement, and strong distribution access in key regions like U.P., Haryana, and Punjab.

- **Amba Group's established brand equity :**

The Amba group enjoys a strong brand presence majorly in Uttar Pradesh, Uttaranchal, Haryana, Delhi, Maharashtra, Punjab, and Himachal Pradesh. The company sells its products under its brand i.e., "AMBA". Local TMT dealers and real estate developers are the key clients of the company. Currently, ASUL has a network of around 30 distributors and 350 dealers.

Credit Weakness:-

- **Volatility in Raw material prices :**

The FY 2024-25 period was characterized by a sustained downward pressure on Indian steel prices, driven by a combination of global headwinds and rising domestic supply. By September 2024, the market hit a notable low point. Domestic Hot Rolled Coil (HRC) prices fell to approximately ₹47,150 per tonne, and TMT bars (Rebar) were quoted around ₹46,500-₹47,000 per tonne. This represented a significant drop from the previous year, 14.2% (TMT) accurately reflecting the year-on-year (YoY) correction during that timeframe.

- **Intense competition and inherent cyclicality in the steel industry :**

The company is operating in a competitive and fragmented nature of industry specially in primarily steel producing industry. There are several players who are engaged in the sponge iron and billet manufacturing business in the organized and unorganized sector. Moreover, the profit margins and sales of the company remain exposed to inherent cyclicality in the steel industry. Adverse volatility in steel prices will have an adverse effect on the company's performance in view of MSSPL direct linkage to the fortunes of the Steel industry.

- **Susceptibility to intense competition and inherent cyclicality in industry :**

The sponge iron and billet manufacturing industry in India faces competition from both domestic and international players. Key factors influencing competition include raw material availability, energy costs, technological advancements, and trade policies. Furthermore, the industry is characterized by fragmentation, with numerous small and medium-sized enterprises (MSMEs) competing alongside larger integrated steel plants.

ANALYTICAL APPROACH - Standalone

To arrive at its ratings, BWR has considered the standalone approach and has applied its rating methodology.

RATING SENSITIVITIES

Going forward, the company's ability to improve its revenue profile and strengthen its financial risk profile will remain the key rating sensitivities.

Positive:

- Improvement in operating income by 10 %, with an operating margin improving by 20% along with enhanced cash accruals and stronger cash and cash equivalent position.
- Maintaining satisfactory debt protection metrics, with ISCR and DSCR at comfortable levels and an Improvement in Current Ratio.

Negative:

- A decline of 10% or more in revenue, and the PAT margin falling below the 1.25%.
- Decline in the ISCR and DSCR falling below 1.5x.

LIQUIDITY INDICATORS - Adequate

Adequate liquidity characterized by sufficient cushion in accruals vis-a-vis repayment obligations and moderate net cash accruals of Rs. 15.36 Crores. No Capex is envisaged in the near future. Its bank limits are utilized to the extent of 63.03% and has sought enhancement in bank lines, supported by the above unity current ratio.

The company has a Net cash accrual of Rs. 15.36 Crs in FY-25 as against the CPLTD of Rs. 1.37 Crores. The cash and Bank balance of the company is at Rs. 6.74 Crores in FY-25. The Net Cash Accruals are expected to increase to Rs. 17.70 Crores in FY26, where the CPLTD will be around Rs. 1.37 Crores.

ISCR remained comfortable at 2.13 times in FY25 and DSCR at 1.94 times in FY25 indicating an adequate debt-servicing capacity to cover the company's debt obligations. The company's EBITDA stood at Rs. 26.37 Crores in FY25 (audited financials) against interest and finance charges of Rs. 12.38 Crores. The EBITDA level remained more than adequate to service the interest obligations year on year. The tangible net worth of the company stood at Rs. 110.97 Crores in FY 25 and the Total Debt/TNW and TOL/TNW ratios were at 0.67x and 1.29x respectively, as of FY25 reflecting a strong net worth position and moderate leverage. Hence, the liquidity position of the company is adequate.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

Amba Shakti Udyog Ltd was incorporated on March 18, 2014 at New Delhi. Amba Shakti Udyog Ltd is a part of AMBA Group engaged in the steel manufacturing. ASUL has an Automatic Steel Plant consisting of Steel re-rolling unit with an installed capacity of 2,70,000 MTPA for manufacturing of both TMT (Thermo Mechanically Treated) Steel and MS (Mild Steel Billets) Billets.

The manufacturing facility of the company is located at Banmore, Morena, (MP). The Group has established presence in Uttar Pradesh, Uttaranchal, Delhi, Haryana, Maharashtra, Himachal Pradesh and Punjab. The brand name of the products is well known as AMBA SARIA. The major companies of AMBA group are Amba Shakti Steels Ltd and Amba Shakti Ispat Ltd.

The major raw material to be used for the production of M.S. Billets is Sponge Iron which is easily available in sufficient quantities in the nearby area of Chattisgarh. Thus, the company has backward integrated nature of operations whereby MS Billets and ingots requirement is manufactured in-house and is being utilised for the production of TMT bars/channels/angels etc.

ESG Profile :

The company maintains an Adequate ESG profile, reflecting a balanced approach toward its environmental responsibilities, social obligations and governance standards.

Environmental: Environmental risks are primarily linked to high water consumption, waste generation, and energy-intensive operations. To enhance transparency and mitigate these risks, the company focuses on improving disclosures regarding water intensity, waste-management protocols, and the share of renewable energy within its total power mix. Monitoring carbon emission levels remains a core priority for operational sustainability.

Social: The company’s social framework is built on strict adherence to labor laws, robust accident prevention protocols, and continuous human- capital development. Operational resilience is measured through workforce diversity (Male/Female ratio), Safety Performance (LTIFR), and specialized training initiatives designed to upskill the workforce and ensure a zero-harm environment.

Governance: Governance is anchored by a structured board with a focus on independence and committee effectiveness. The company maintains transparency through comprehensive disclosures on board composition, audit mechanisms, and enterprise risk-management (ERM) frameworks, ensuring strong compliance and ethical oversight.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Unit	FY 23	FY 24	FY 25
Result Type		Audited	Audited	Audited
Operating Income	Rs. Crs	832.37	879.43	746.62
EBITDA	Rs. Crs	24.90	18.55	26.37
PAT	Rs. Crs	7.15	7.22	11.15
Tangible Net Worth	Rs. Crs	92.63	99.85	110.97
Total Debt/Tangible Net Worth	Times	0.86	0.82	0.67
Current Ratio	Times	1.49	1.55	1.30

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities, however there are special covenants on Current Ratio, TOL/Adj TNW and TD/EBITDA which are compiled by the company.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

Not Applicable.

ANY OTHER INFORMATION

No Other Information.

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Facilities		Current Rating (2026)		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	40.00	BWR BBB+/Stable (removal from ISSUER NOT COOPERATING * category/Upgraded)	30-Oct-2025	BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	26-Sep-2024	BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING * category/Downgraded)	12-Sep-2023	BWR BB/Stable (Continues to be in ISSUER NOT COOPERATING * category/Downgraded)
Fund Based	LT	70.00	BWR BBB+/Stable (Assignment)	-	-	-	-	-	-
Non-Fund Based	ST	25.00	BWR A2 (removal from ISSUER NOT COOPERATING * category/Upgraded)	30-Oct-2025	BWR A4(Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	26-Sep-2024	BWR A4(Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	12-Sep-2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING * category/Downgraded)
Grand Total		135.00	(Rupees One Hundred and Thirty Five Crores Only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)
- [Manufacturing Company](#)
- [BWR Withdrawal Policy](#)

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Amba Shakti Udyog Ltd

**ANNEXURE-I
Details of Bank Facilities rated by BWR**

Sl.No	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs)	Short Term (Rs.Crs)	Total (In Rs.Crs)	Complexity
1	Punjab National Bank	Cash Credit - Sanctioned	40.00	-	40.00	Simple
		Letter of Credit - Sanctioned	-	25.00	25.00	Simple
2	Yes Bank	Cash Credit - Sanctioned	50.00	-	50.00	Simple
3	UCO Bank	Cash Credit - Sanctioned	20.00	-	20.00	Simple
	Total (In Rs.Crores)		110.00	25.00	135.00	
TOTAL (Rupees One Hundred and Thirty Five Crores Only)						

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com.

**ANNEXURE-II
INSTRUMENT DETAILS**

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE-III
List of entities consolidated**

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

List of instruments and regulators

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) ¹	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)- ¹	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)- ¹	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs - ²	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme - ³	-
Issuer Ratings ⁴	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) - ¹	Investor-side Regulator such as IRDAI, PFRDA ⁵
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies ⁶	NA

- Includes securitisation transactions involving assignee payout, acquirer's payout.
- Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
- 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 be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.
- There is no instrument being rated and hence, Regulator of the Instrument is not applicable.

- These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
- Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or 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

For any grievances relating to rating of instruments regulated by other FSR (Financial Sector Regulators), please contact grievance@brickworkratings.com

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner and promoter.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

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