

October 7, 2010

**CARE REAFFIRMS RATINGS TO THE BANK FACILITIES OF  
MAITHAN ALLOYS LIMITED****Ratings**

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term bank facilities	116.8	'CARE A' (Single A)	Reaffirmed
Short-term bank facilities	153.0	'PR 1' (PR One)	Reaffirmed
<b>Total</b>	<b>269.8</b>		

**Rating Rationale**

The aforesaid ratings continue to draw strength from satisfactory track record of the company, long experience of its promoter, its established position in the domestic ferro-alloys industry and improved financial performance of the company in FY10 & Q1 FY11 and comfortable debt-equity ratio. However, the ratings are constrained by complete dependence of the ferro alloy industry on the fortunes of steel industry, volatility in prices of ferro-alloys & raw material. Performance of the steel industry and movement in major raw material prices would remain the key rating sensitivities.

**Company Profile**

MAL, incorporated in September, 1985, is engaged in manufacturing of ferro alloys, with an aggregate installed capacity of 1,15,600 tpa (tonnes per annum) with the manufacturing unit located at West Bengal & Meghalaya. The company is also engaged in wind power generation at two locations with an aggregate installed capacity of 3.75 MW, besides having a captive power plant of 15 MW.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

On a total income of Rs.449.6 crore, the company earned a PAT of Rs.30.3 crore and Gross Cash Accruals of Rs.46.4 crore in FY10.

The performance of MAL for Q1FY11, as compared to Q1FY10, witnessed significant improvement in profit level and margins.

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