

Magadh Precision Equipment Limited

November 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	26.80	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	15.00	CARE B; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE B+; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Magadh Precision Equipment Limited (MPEL) to monitor the ratings vide e-mail communications/ letter dated August 26, 2025, September 19, 2025, October 09, 2025, and October 31, 2025, and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring the ratings. It has also not submitted No default statement (NDS) for the last 3 months ended October 2025. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the ratings on the basis of the best available information which, however, is not sufficient to arrive at a fair rating. The ratings on MPEL's bank facilities will now be denoted as CARE B; Stable/ CARE A4; ISSUER NOT COOPERATING*

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s)

Ratings have been revised on account of non-availability of the requisite information to conduct the review and non-submission of past 3 months' NDS. Ratings assigned to bank facilities of MPEL continue to remain constrained on account of moderate scale of operations, leveraged capital structure, moderate debt coverage indicators and stretched liquidity position during FY24 (Audited, period refers from April 01 to March 31). Ratings continue to derive strength from experience of promoters.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on October 28, 2024, the following were the rating strengths and weaknesses considered

Key weaknesses

Moderate scale of operations

The scale of operations marked by TOI improved and remained moderate at Rs.57.50 crores in FY24 as against Rs.49.37 crores in FY23 mainly due to higher demand of capital goods in other countries. Further, it has orders worth Rs.143.03 crore as on August 13, 2024, to be executed over the next 2 years. MPEL has reported TOI of ~Rs30 crores in H1FY25.

Leveraged capital structure and moderate debt coverage indicators

Capital structure though improved, remained leveraged marked by overall gearing of 3.49x as on March 31, 2024, as against 11.51x as on March 31, 2023, owing to increase in net worth with accretion of profits to reserves coupled with lower debt with lower utilization of working capital limits as on balance sheet date. Debt coverage indicators improved and remained moderate marked by interest coverage ratio of 2.28 times in FY24 as against 0.65 times in FY23 due to increase in profitability. Total debt to gross cash accruals remained at 4.12x in FY24.

Key strengths

Clear track record of debt servicing

There are no delays/ default in debt servicing for last one year ended September 2024, as confirmed by lender. Also, MPEL has shared Cash credit and term loan statements from January 2024 to September 2024. There are no instances of overdrafts and delays in repayment of interest or instalments for the said period. However, data for current year is not available.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Improved profitability margins

The profitability margins saw a significant improvement marked by PBILDT margin of 23.14% in FY24 as against 7.42% in FY23, driven by high margin products exported majorly in Turkey. Consequently, PAT margin improved and remained at 9.44% in FY24 as against 5.69% in FY23. However, data for current year is not available.

Experienced promoters

MPEL is promoted jointly by Mr. Girja Nand Sharma, Mr. Krishna Kant Kumar, and Ms. Meera Sharma. Mr. G. N. Sharma, Managing Director, holds a vast experience of more than three decades and is responsible for Marketing and Designing activities carried out by the company. Mr. K. K. Kumar, Director of MPEL, possesses experience of around three decades and is responsible for the financial and operational activities carried out by the company. Ms. Meera Sharma, Director of MPEL, possesses experience of around three decades and is responsible for routine operational activities.

Liquidity: Stretched

The liquidity profile of MPEL remains stretched characterized by tightly matched cash accruals of Rs.8.51 crore in FY24 as against repayment of ~Rs.7.50 crore arising in FY25. Average utilization of working capital limits remained low at 35% for the trailing 9 months ended September 2024. Operating cycle though improved, remained highly elongated at 554 days owing to long pendency of trade receivables. Also, inventory cycle remains prolonged as it maintains high inventory to cater to machine lines within specific time.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Other Industrial Products

Delhi based, MPEL was incorporated in July 1986 as closely held public limited company by Mr. Girja Nand Sharma, Mr. Krishna Kant Kumar, and Ms. Meera Sharma. Company is engaged in manufacturing of capital equipment for metal processing industry which primarily includes manufacturing of hot and cold rolling mill machines, slitting lines, galvanizing lines catering to metal processing and steel industry for flat products. The manufacturing unit situated at Dewas, Madhya Pradesh is spread over 12,000 Sq. Metres area.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	49.48	58.24
PBILDT	3.68	13.56
PAT	2.81	5.48
Overall gearing (times)	11.51	3.49
Interest coverage (times)	0.66	2.30

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

ICRA has continued the rating assigned to the bank facilities of MPEL into Issuer Not Cooperating category vide press release dated August 18, 2025, on account of its inability to carry out a review in the absence of the requisite information from the entity and non-payment of surveillance fees.

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-Funded Interest term Loan		-	-	30-09-2027	9.95	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working capital Term Loan		-	-	30-09-2027	16.85	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Cash Credit		-	-	-	15.00	CARE B; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-Cash Credit	LT/ST	15.00	CARE B; Stable / CARE A4; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable / CARE A4 (28-Oct-24)	1)CARE D / CARE D (21-Sep-23)	1)CARE D / CARE D; ISSUER NOT COOPERATING * (07-Feb-23)
2	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)Withdrawn (21-Sep-23)	1)CARE D; ISSUER NOT COOPERATING * (07-Feb-23)
3	Fund-based - LT-Working capital Term Loan	LT	16.85	CARE B; Stable; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable (28-Oct-24)	1)CARE D (21-Sep-23)	-
4	Fund-based - LT-Funded Interest term Loan	LT	9.95	CARE B; Stable; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable (28-Oct-24)	1)CARE D (21-Sep-23)	-

*Issuer did not cooperate; based on best available information.

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-Funded Interest term Loan	Simple
2	Fund-based - LT-Working capital Term Loan	Simple
3	Fund-based - LT/ ST-Cash Credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in</p> <p>Sajni Shah Assistant Director CARE Ratings Limited Phone: 079-40265636 E-mail: Sajni.Shah@careedge.in</p> <p>Nandini Bisani Analyst CARE Ratings Limited E-mail: Nandini.Bisani@careedge.in</p>
--	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**