

Madhya Pradesh Financial Corporation

November 20, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	2.54 (Reduced from 41.31)	CARE D	Reaffirmed
Redeemable non-convertible unsecured taxable bonds	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating towards bank facilities of Madhya Pradesh Financial Corporation (MPFC). The rating of MPFC is based on its ongoing delays in debt servicing of term loan principal and interest by MPFC, as confirmed by the company.

However, CareEdge Ratings notes that MPFC has been paying off its liabilities through recoveries from non-performing asset (NPA).

CareEdge Ratings has withdrawn the outstanding rating on the bond bearing ISIN number INE348F08043 with immediate effect, in line with CareEdge Ratings' policy on withdrawal of ratings, as the corporation has repaid the bond in full and there is no amount outstanding as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Track record of timely payment of dues.
- Creation of adequate liquidity buffer.

Negative factors: Not applicable

Analytical approach: Standalone

Outlook:

Not applicable

Detailed description of key rating drivers:

Key weaknesses

On going delays

Per the No Default Statement received from the corporation, delays in payment and interest continue.

Decline in loan book

The corporation has not sanctioned fresh loans in the five fiscals. Currently, the book is in run-down phase.

Key strengths

Reduced borrowings:

As on March 31, 2025, MPFC's borrowings stood at ₹31 crore against ₹223 crore as on March 31, 2024.

Liquidity: Poor

As on March 31, 2025, MPFC had liquidity of ₹2.15 crore, comprising ₹0.02 crore in cash and ₹2.13 crore as bank balance.

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

Applicable criteria

[Definition of Default](#)

[Non Banking Financial Companies](#)

[Financial Ratios - Financial Sector](#)

[Withdrawal Policy](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Financial institution

MPFC was incorporated in 1955 under the State Financial Corporations Act, 1951. It is a state-level financial corporation providing long-term and medium-term, fund-based and non-fund-based financial assistance to industrial, infrastructural, and social sector organisations in Madhya Pradesh with focus on small and medium-sized industries. It has its headquarters at Indore – the industrial hub of the state and has a network of nine branches and seven business development centres. MPFC is headed by board of directors, including senior bureaucrats, nominees of Small Industries Development Bank of India (SIDBI), the Housing and Urban Development Corporation (HUDCO), and the Life Insurance Corporation (LIC), financial experts, and banking professionals.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total income	54.43	40.36	39.87
Profit after tax (PAT)	-22.88	0.52	29.83
Assets under management (AUM)	398.81	308.31	258.05
On-book gearing (x)	-1.69	-1.17	-0.16
AUM / tangible net-worth (TNW) (x)	-2.09	-1.62	-1.30
Gross non-performing assets (NPA) / gross stage 3 (%)	92.61	95.19	99.39
Return on managed assets (ROMA) (%)	-5.09	0.16	11.64
Capital adequacy ratio (CAR) (%)	2.12	2.82	10.75

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

Status of non-cooperation with previous CRA:

Not applicable

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
Bonds-Redeemable Non-convertible Unsecured Taxable Bonds	INE348F08043	19-Nov-2014	9.20%	19-Nov - 2024	0.00	Withdrawn
Term Loan-Long Term	-	-	-	January 2025	2.54	CARE D

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-Cash Credit	LT	-	-	-	1)Withdrawn (25-Nov-24)	1)CARE C; Stable (02-Jan-24)	1)CARE C; Stable (03-Jan-23) 2)CARE C (CE); Stable (02-Jun-22) 3)CARE D (01-Apr-22)
2	Bonds-Redeemable Non-convertible Unsecured Taxable Bonds	LT	-	-	-	1)CARE D (25-Nov-24)	1)CARE C; Stable (02-Jan-24)	1)CARE C; Stable (03-Jan-23) 2)CARE C (CE); Stable (02-Jun-22) 3)CARE C (CE); Stable (01-Apr-22)
3	Term Loan-Long Term	LT	2.54	CARE D	-	1)CARE D (25-Nov-24)	1)CARE D (02-Jan-24)	1)CARE D (03-Jan-23) 2)CARE D (02-Jun-22) 3)CARE D (01-Apr-22)
4	Unsupported Rating-Unsupported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (03-Jan-23)

								2)CARE D (02-Jun-22)
								3)CARE D (01-Apr-22)
5	Bonds-Secured Redeemable Bonds	LT	-	-	-	-	-	1)Withdrawn (01-Apr-22)
6	Bonds-Secured Redeemable Bonds	LT	-	-	-	-	-	1)Withdrawn (01-Apr-22)

LT: Long 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	Bonds-Redeemable Non-convertible Unsecured Taxable Bonds	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Contact us

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