

## Pradeep Mining and Constructions Private Limited

January 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	11.50	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	0.50	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of Pradeep Mining and Constructions Private Limited (PMCPCL) continue to remain constrained by the company's small scale of operations, working capital-intensive nature of operations and cyclicity of the steel industry. However, the ratings derive strength take from the promoters' long-standing experience and established associations with Kamdhenu and Hindustan Unilever Limited (HUL). It further considers PMCPCL's comfortable capital structure and strong debt coverage indicators.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Increase in scale of operations with turnover exceeding ₹100 crore and operating margin maintained above 15% on a sustained basis.

#### Negative factors

- Decline in scale of operations with turnover falling below ₹35 crore and operating margin remaining below 15% on a sustained basis.
- Any major debt laden capex plans leading to deterioration in overall gearing ratio above 1.50 times on a sustained basis..

**Analytical approach:** Standalone

#### Outlook: Stable

Stable outlook reflects the firm's ability to sustain and improve its revenues going ahead with stable margins while maintaining its capital structure.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Small scale of operations

PMCPCL operates in multiple segments, including manufacturing of colour-coated profile sheets with an installed capacity of 14,400 tons per annum, trading of TMT bars and distributorship of Hindustan Unilever Limited (HUL) FMCG products, job work primarily related to mining activities and civil construction work. The company's scale of operations remained small and moderated to ₹41.96 crore in FY25 from ₹48.00 crore in FY24 due to discontinuation of few business verticals and shifting of focus to better margin and high value business segment. The overall scale of operations continues to remain small when compared to the overall scale of the industry and the other players operating in the industry. The small scale deprives it from the benefits of economies of scale and restricts the financial flexibility of the firm in times of stress. As per management, total operating income (TOI) stood at ₹17.39 crore in 8MFY26. Operating margin remained stable at 15.54% in FY25 (FY24: 15.29%). Recently, the company has forayed into civil construction activities for Jindal Steel and Power Ltd in Angul and Jajpur, Odisha and currently has an annual order book position of around ₹20 crore. Additionally, the company has acquired sand mining rights through competitive bidding process for a period of 2 years. Going forward, the company's primary focus will be on civil construction contracts and profile sheet manufacturing. The scale of operations is expected to remain range bound in near to medium term.

##### Working capital intensive nature of operation

The company's operations remain working capital intensive due to the need to maintain inventory of raw materials and traded goods and extend high credit periods to customers, given its low bargaining power. The collection period increased to 95 days in

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

FY25 from 55 days in FY24, while the creditor period extended to 57 days from 32 days. Consequently, the operating cycle lengthened to 90 days in FY25 from 74 days in FY24.

### Cyclical nature of the steel industry

Steel industry is cyclical and closely linked to economic growth, as its major end-user sectors—construction, infrastructure, automobiles and capital goods—depend on macroeconomic conditions. A slowdown in any of these sectors leads to lower steel demand, impacting industry volumes and pricing.

### Key strengths

#### Experienced promoters

PMCPL commenced operations in 1996 and has an established track record in Odisha. The day-to-day operations are overseen Pusanjali Balsamant and Sabyasachi Balsamant, supported by a team of experienced professionals.

#### Association with reputed and established principal for TMT and FMCG businesses

PMCPL has been associated with Kamdhenu Group since FY19, maintaining consistent agreement continuity. It operates under a royalty-based agreement to sell its manufactured profile sheets and TMT bars under the Kamdhenu brand in Odisha. Additionally, the company commenced distributorship of FMCG products for HUL in FY21.

#### Comfortable Capital Structure and debt coverage indicators

The company's capital structure remained comfortable, with overall gearing at 0.24x as on March 31, 2025, compared to 0.14x as on March 31, 2024, supported by gradual repayment of term loans and improved net worth. Debt coverage indicators also remained strong, with interest coverage ratio (PBILDT/Interest) at 12.23x in FY25 (FY24: 8.36x) and total debt to gross cash accruals (TD/GCA) at 1.50x in FY25 (FY24: 0.73x). The capital structure is expected to remain comfortable in the near term, supported no major debt-funded capex and steady accruals.

#### Liquidity: Adequate

The company's liquidity position remains adequate, supported by gross cash accruals (GCA) of ₹4.80 crore as on March 31, 2025, against debt repayment obligations of ₹0.42 crore in FY25. The company is expected to generate sufficient GCA to meet its debt obligations in FY26. Average utilization of fund-based limits stood at around 70–75% over the last 12 months ended November 2025, as per lender feedback, while non-fund-based limits have been almost fully utilized during the same period. Additionally, the company had cash and bank balance of ₹1.52 crore as on March 31, 2025.

#### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

Incorporated in June 1996, PMCPL was initially incorporated as 'Pradeep Mining & Transport Private Limited' by the Bal Samant family based out of Cuttack, Bhubaneswar. Subsequently in June 2001, it was rechristened to its present name. The company was initially engaged in chrome ore mining related jobs encompassing removal of overburden, sorting of rejects, grade wise stacking, lifting and transportation. The company has later forayed into manufacturing of roofing profile sheet with an installed capacity of 14,400 tons per annum and trading of TMT bars from FY19. It sells its products under the brand name of 'Kamdhenu' and for the same it pays royalty. This apart, it also undertakes job work for colour coated roofing profile sheet such as slitting, processing, packing and delivering for Jindal Steel & Works Limited (JSW) for which it receives job work charges from the company. The company had also started distributorship of FMCG products of Hindustan Unilever Limited from FY21. Further, the company undertakes civil construction activities on an order basis and has also engaged in sand mining quarrying.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26(UA)
Total operating income	48.00	41.96	17.93
PBILDY	7.34	6.52	-
Profit after tax (PAT)	3.80	3.57	-
Overall gearing (x)	0.14	0.24	-
Interest coverage (x)	8.36	12.23	-

A: Audited UA: Unaudited; 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
Fund-based - LT-Cash Credit		-	-	-	11.50	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE A4+

**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	11.50	CARE BB+; Stable	-	1)CARE BB+; Stable (20-Mar-25) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (26-Dec-24)	1)CARE BB+; Stable (07-Nov-23)	1)CARE BB; Stable (07-Nov-22)
2	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE A4+	-	1)CARE A4+ (20-Mar-25) 2)CARE A4; ISSUER NOT COOPERATING* (26-Dec-24)	1)CARE A4+ (07-Nov-23)	1)CARE A4+ (07-Nov-22)

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

LT: Long term; ST: 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-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	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.

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