

Bhawani Moulders Private Limited

February 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	50.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating 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 Bhawani Moulders Private Limited (BMPL) to monitor the rating vide email communications dated January 27, 2026, December 09, 2025, December 03, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information, which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. BMPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on BMPL's bank facilities will now be denoted as **CARE BB+; Stable; 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.

The rating assigned to bank facilities of BMPL is constrained by moderate capital structure and debt coverage indicators, profitability susceptible to volatility in the prices of raw materials, and intense competition from the unorganised sector and cyclical nature of industry. However, ratings derive comfort from experienced and resourceful promoters, favourable locational advantage and consistent improvement in scale of operations despite thin profitability margins, backed by satisfactory capacity utilisation despite increase in capacity in FY24.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on December 05, 2024, the following were the rating weaknesses and strengths:

Key weaknesses

Moderate capital structure and debt coverage metrics

BMPL is a relatively small player, with a net worth base of ~₹15.54 crore as on March 31, 2024 (PY: ₹11.34 crore). In FY24, BMPL's overall gearing improved to 1.50x as on March 31, 2024 (2.11x as on March 31, 2023). The same was largely considering repayment of unsecured loans to the extent of ₹10.61 crore from cash flows generated from operations and accretion of higher profits in the net worth. Total debt to gross cash accruals (TD/GCA) also witnessed improvement to 3.89x as on March 31, 2024 (6.90x as on March 31, 2023) considering lower total debt. Interest coverage stood improved at 4.37x in FY24 (2.35x in FY23). The company under its re-rolled division is in process of enhancing the capacity by 28,500 MTPA at a total projected cost of ₹22.21 crore funded in debt/equity ratio of 1.33:1. The total debt portion (₹12.70 crore) has been tied up and sanctioned. As on September 30, 2024, the company has incurred a total cost of ₹18.87 crore. The project is expected to achieve commercial operations date (COD) in the towards end of Q3FY25. Per the management, the project is completed and trial runs are ongoing. The project will help improve BMPL's scalability and profitability in the near-to-medium term. The capital structure is expected to moderate in FY25, given the debt-funded capex during the year. However, the same is expected to improve gradually with accruals of profits to reserves and repayment of debt over time.

Profitability susceptible to raw material price volatility

Steel is generally manufactured in a continuous process to keep down the power costs. Uninterrupted supply of raw materials is, thus, imperative for continuous production processes. Companies which produce pig iron and sponge iron captively have control over supply of their raw material for production of billets and thus are more capable of being cost efficient than only billet producers. The control over supply could be either in the form of backward integration or long-term supply contracts; however, the former is preferable for higher profitability. BMPL does not have backward integration for its raw material (pig iron/ sponge iron/scrap) and purchases the same from open market. Since the raw material is the major cost driver (~77% of the cost of sales in FY24) and their prices are volatile in nature, the profitability margin of the company is susceptible to fluctuation in raw material prices. However, the company going ahead is expected to have a stable source for supply of raw materials and power as its group

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

company, Gravity Iron and Power Private Limited, has set up a sponge iron and Waste Heat Recovery Boiler (WHRB) plant in H1FY25, which will help the group to manage raw material and power cost more efficiently going forward.

Intense competition from unorganised sector and cyclical nature of industry

The steel industry is highly competitive due to presence of organised and unorganised players and limited product diversity due to commodity nature of products. Although over the years, the industry has become more organised with the share of unorganised players reducing, but margins continue to be under pressure due to fragmentation of the industry. Also, the steel industry is a cyclical industry, strongly correlated to economic cycles since its key users, construction, infrastructure, automobiles, and capital goods heavily depend on the state of the economy. Fall in demand in any of these sectors directly impacts the demand of steel products. The steel industry is sensitive to the shifting business cycles, including changes in the general economy, interest rates and seasonal changes in the demand and supply conditions in the market. Furthermore, the producers of MS Billets and Steel structural-related products, such as BMPL are essentially price-takers in the market (their fortune depends upon the construction industry/infrastructure industry), which directly expose their cash flows and profitability to the volatility of the steel/end user industry.

Key strengths

Experienced and resourceful promoters

BMPL is managed by three directors – Vinu Agarwal, Rohit Agarwal, and Shiv Bhagat Singh. The company commenced its operations in 1988 and accordingly the promoters have a satisfactory track record of around two decades. The company has grown persistently since its inception under the administration of its promoters who are adequately supported by a team of experienced professionals/staffs. The promoters ventured into the manufacturing of mild steel angle and channels from June 2019, after the closure of moulds business. The promoters have sound knowledge of the sector and have long track record of operations through its group company, Gravity Ferrous Private Limited, which is engaged in manufacturing re-rolling products (TMT bars) and trading long steel products.

Favourable locational advantage

BMPL's manufacturing facility is strategically located in the industrial belt of Chhattisgarh with proximity to raw material source and excellent connectivity with rail and road. In addition, densely populated area like Raipur ensures easy availability of labour to the company at economical rates. Moreover, proximity of the plant to the source of raw material and end market for its finished goods results in savings of transportation costs (freight), adding to the profitability.

Consistent improvement in scale of operations; despite thin profitability margins

The total operating income (TOI) continues to improve over the years, with revenues for FY24 at ₹329.98 crore against ₹273.78 crore in FY23 (y-o-y growth of ~21%). The improvement has been largely driven by higher sales volume and better capacity utilisation. The capacity utilisation has seen a steady growth in the past five years, growing from ~50% in FY20 to ~86% in FY24. The TOI has grown at CAGR of ~35% in the past five years. The profit before interest, lease rentals, depreciation, and tax (PBILDT) margin, however, remained thin at 2.77% in FY24 (2.22% in FY23) given the lack of backward integration. The company's margin also remains exposed to volatility in input prices and fluctuation in realisations. BMPL reported profit after tax (PAT) of ₹4.20 crore in FY24 (PY: ₹1.33 crore). In H1FY25, the company has booked gross revenue of ₹197.80 crore. The TOI and margins are expected to improve going forward given the increase in capacity of the company through the ongoing capex.

Applicable criteria

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

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Manufacturing](#)

[Iron & Steel](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and mining	Ferrous metals	Iron and steel

Incorporated in August 1988, BMPL was earlier engaged in manufacturing CI Ingot Moulds. Later, promoters ventured into manufacturing mild steel angle and channels from June 2019, after the closure of moulds business. The company has its manufacturing facility at Raipur with present installed capacity of 80,000 MTPA for MS Billet and re-rolled products.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	273.78	329.98	197.80*
PBILDT*	6.07	9.15	NA
PAT	1.33	4.20	NA
Overall gearing (times)	2.11	1.50	NA
Interest coverage (times)	2.35	4.37	NA

A: Audited, UA: Unaudited, NA: Not Available; Note: these are latest available financial results

*Gross sales figures

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		-	-	-	34.11	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2031	15.89	CARE BB+; Stable; 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-Cash Credit	LT	-	-	-	-	1)CARE BB+; Stable (20-Oct-23) 2)Withdrawn (20-Oct-23) 3)CARE BB+; Stable (09-Oct-23)	1)CARE BB+; Stable (04-Aug-22)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	1)CARE BB+; Stable (20-Oct-23) 2)Withdrawn (20-Oct-23) 3)CARE BB+; Stable (09-Oct-23)	1)CARE BB+; Stable (04-Aug-22)
3	Fund-based - LT-Term Loan	LT	15.89	CARE BB+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable (05-Dec-24)	-	-
4	Fund-based - LT-Cash Credit	LT	34.11	CARE BB+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable (05-Dec-24)	-	-

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instrument/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	Fund-based - LT-Term Loan	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

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