Ghanashyam Misra and Sons Private Limited

February 20, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	78.00 (Enhanced from 49.00)	CARE BBB; Stable	Downgraded from CARE BBB+; Negative
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the rating assigned to bank facilities of Ghanashyam Misra & Sons Private Limited (GMSPL) factors in high exposure to group entities albeit moderate reduction witnessed till Dec 2025, elongation in working capital cycle amid increase in inventory holding period and lower than earlier envisaged improvement in financial performance in 9MFY26 post moderation in financial performance in FY25 due to dip in sales realization and development cost incurred in FY25.

The rating draws comfort from experienced promoters and long track record in iron ore mining business, satisfactory mining resources, long-term tenure of mining lease, and comfortable capital structure.

However, the rating remains constrained by high group exposure, ongoing litigation regarding nonpublication of IBM price for lower grade iron ore and subsequent royalty and premium amount pertaining to higher-than-anticipated rate for lower grade iron ore lumps and fines for post-March 2020 period leading to buildup and delay in monetizing already mined inventory and customer concentration risk.

CARE takes note of no demand received by the company from the Govt. of Odisha post Supreme Court judgement dated August 14, 2024 wherein it has upheld the power of state governments to tax mineral rights and mineral-bearing lands.

CARE Ratings Limited has withdrawn the rating on bank facilities comprising the term loan from Axis Bank following full repayment and receipt of No Due Certificate (NDC).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing scale of operations resulting in total operating income (TOI) of more than ₹250 crore and improving PBILDT margin to more than 15%.
- Significantly reducing inventory, resulting in holding period of less than 180 days.

Negative factors

- Declining scale of operations, resulting in TOI of less than ₹75 crore and PBILDT margin of less than 10%, on sustained basis.
- Further elongating working capital cycle, resulting in weakening liquidity.
- Any further increase in exposure to group companies.

Analytical approach: Standalone

Outlook: Stable

GMSPL's financial performance is expected to steadily improve with no major debt funded capex and supported by adequate liquidity.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and long track record of operations in iron ore mining business

Ghanashyam Misra & Sons Private Limited (GMSPL), incorporated in 1979, is promoted by the Misra Group which has an established presence in the iron ore mining segment. The company is managed by the Misra family, who bring over five decades of experience across mining, manufacturing, and construction industries. Day-to-day operations are overseen by Susil Misra,

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

Binod Misra, Sourav Misra, Soham Misra, and Sidharth Misra, ensuring strong management across the group's core business interests.

Presence of satisfactory mining resources and long-term mining lease

The lease for the Gorumahisani iron ore block in Mayurbhanj, Orissa expired in March 2020. GMSPL successfully retained the lease at the mine auctions in February 2020 at a premium of 115% of the base price. The lease has been granted for 50 years from July 2020, and the company has environmental clearance to mine 7.5 lakh metric tonnes (mt) of iron ore per annum.

Comfortable capital structure

The capital structure of the company continued to remain comfortable at 0.11x as on March 31, 2025 (PY: 0.12x). This was supported by scheduled full repayment of term loan (TL) in FY25 and moderate utilization of working capital borrowings. The entity has extended loans and advances to its subsidiaries and group entities; after adjusting for these exposures, the adjusted overall gearing ratio stood low at 0.23x as on March 31, 2025 (0.29x as on March 31, 2024). Total debt to gross cash accruals (TD/GCA) stood at 1.47x as on March 31, 2025 compared to 1.28x in FY24. The total outside liabilities to net worth (TOL/TNW) remained low at 0.52x as on March 31, 2025 (0.53x as on March 31, 2024). The marginal improvement in the capital structure was on account of profit accretion to reserves and repayment of term debt.

Key weaknesses

High exposure to group companies albeit moderate reduction witnessed till Dec 2025

The company has exposure to group entities in the form of investments and loans and advances, constituting around 90% of the tangible net worth (TNW) as on March 31, 2025, compared with 94% as on March 31, 2024. This reduced further to 84% as on December 31, 2025. Apart from this, the company received an advance for purchase of raw material from a group entity amounting to ₹143.47 crore. Accordingly, the net overall group exposure stood at ₹184.39 crore as on March 31, 2025.
Out of the total exposure of ₹327.86 crore as on March 31, 2025 (PY: ₹327.12 crore), around 41% was in Transform Steel Private Limited and around 10% in Charnock Hospitals Private Limited. Both entities are financially and operationally strong. Approximately 12% of the exposure was towards subsidiary Bhagwati Power and Steel Limited (BSPL), which has stable cash flows and a comfortable capital structure. Total group exposure reduced to ₹306.71 crore as on December 31, 2025.

Moderation in operating performance in FY25 albeit lower than envisaged improvement in 9MFY26

The company reported moderation in operating income, with total operating income (TOI) declined to ₹89.01 crore in FY25 from ₹110.45 crore in FY24. This was primarily driven by a fall in blended sales realization (₹1,991 per metric tonne (mt) in FY24 to ₹1,735 per mt in FY25) in the absence of old stock of higher Fe grade lumps which was sold out within FY24. Profit before interest, lease, depreciation and tax (PBILDT) margin contracted to 1.64% in FY25 from 5.51% in FY24, mainly due to dip in realization and mining development expense for reassessing the mining reserve. Profit after tax (PAT) margin, however, remained stable at 2.6% in FY25, supported by higher non-operating income from interest on loans and advances to group entities.

In 9MFY26, the company reported a PBILDT margin of 9.04% on TOI of around ₹90 crore, aided by higher sales realization of ₹2,754 per mt and absence of the development cost incurred in FY25. Non-operating income moderated in 9MFY26 due to conversion of ₹102 crore of interest-bearing loans and advances to Transform Steel Private Limited into 0.01% optionally convertible debentures (OCDs), which have no defined repayment schedule and carry conversion at the issuer's discretion. The company reported a PAT margin of 2.50% in 9MFY26.

The Hon'ble Supreme Court of India, in a judgement, has upheld the power of State Governments to tax mineral rights and mineral-bearing lands. Furthermore, the bench, vide its judgement dated August 14, 2024, has also concluded that the States may levy or renew demand of such tax (if any) in a retrospective manner, on transactions made on or after April 01, 2005. The said judgement further states that, should the States choose to exercise this retrospective option, then the total amount due from an assessee can be paid over a period of 12 years, beginning April 1, 2026, without any interest or penalties. However, the company has not received any demand from the government of Odisha in this regard. However, the impact of any future demand arising out of the said judgement will continue to remain a key monitorable factor.

Elongation in working capital cycle amid increase in inventory holding period

The company's operating cycle elongated to 381 days as of March 31, 2025, from 263 days in FY24, primarily due to an increase in the inventory holding period from 274 days as of March 31, 2024 to 372 days as of Mar 31, 2025. Increase in inventory holding period was due to averaging effect of dip in sales and increase in inventory as large portion of total sales are made to 2 group entities (Amalgam Steel Pvt Ltd & Amalgam Steel & Power Ltd), making overall sales comprises mainly from group entities consumption levels. Sale to these 2 group entities moderated from 43.3% of TOI in FY24 to 30.6% of TOI in FY25 due to lower demand amid pressure on pellet realization resulting from supply glut coupled with firm iron ore prices.

Ongoing Litigation regarding the publication of IBM price for lower grade iron ore and subsequent royalty and premium amount pertaining to higher than anticipated rate of iron ore lumps and fines for post-March 2020 period leading to buildup and delay in monetization of already mined inventory

The company earlier challenged the Indian Bureau of Mines (IBM) price of ₹1,461 per tonne for 45–51% Fe grade in April 2022, stating that the published price was incorrect and sought revised publication. The company agreed to pay the premium and royalty for minimum production requirement (MPR) shortfall for the first two years based on the All-India Price of ₹747 per tonne for April 2022 for the same grade. The additional payout at this rate is estimated at around ₹0.37 crore, which is adjustable against the advance of ₹71.77 crore paid in March 2022. The High Court directed that GMSPL may clear its mined iron ore stock of the 45–51% Fe grade by paying ₹747 per tonne, without prejudice to the State's contentions and subject to the final outcome of the writ petition. There has been no further update on the matter.

Liquidity: Adequate

The liquidity of the company is adequate, supported by gross cash accruals (GCA) of around ₹27.54 crore against debt repayment obligations of ₹23.65 crore in FY25. The company has minimal vehicle loan outstanding of Rs.0.38 lacs and the debt obligation is Rs.0.09 crore in FY26. Average working capital utilization for the 12 months ending January 31, 2026, remained moderate at around 66.04%. Additionally, the company maintained free cash and bank balances of ₹9.64 crore as on March 31, 2025, and ₹13.50 crore as on December 31, 2025. It also held investments in listed equity with a book value of ₹20.42 crore and a market value of ₹23.84 crore as on December 31, 2025, providing additional liquidity support.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Service Sector Companies
Financial Ratios – Non financial Sector
Withdrawal Policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Minerals & Mining	Industrial Minerals

Incorporated in 1979, Ghanashyam Misra & Sons Pvt Ltd (GMSPL) was established by the Misra Group. GMSPL undertakes iron ore mining activities at the leased Goru-mahisani iron ore block in Mayurbhanj, Odisha. GMSPL was the successful bidder at the mine auctions held in February 2020 and retained the mining lease at a premium of 115% of the base price. The lease has been granted for 50 years from July 2020 and the company has environmental clearance to mine 7.5 lakh MT of iron ore per annum.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	110.45	89.32	90.75
PBILDT*	6.09	1.77	10.18
Profit after tax (PAT)	2.80	2.32	2.27
Overall gearing (x)	0.12	0.11	NA
Interest coverage (x)	1.46	0.50	NA

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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		-	-	-	32.00	CARE BBB; Stable
Fund-based - LT-Term Loan		-	-	March 31, 2025	0.00	Withdrawn
Non-fund-based - LT-Bank Guarantee		-	-	-	46.00	CARE BBB; Stable

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-Term Loan	LT	-	-	-	1)CARE BBB+; Negative (11-Feb-25)	1)CARE BBB+; Stable (30-Jan-24)	1)CARE A-; Stable (01-Nov-22)
2	Fund-based - LT-Cash Credit	LT	32.00	CARE BBB; Stable	-	1)CARE BBB+; Negative (11-Feb-25)	1)CARE BBB+; Stable (30-Jan-24)	1)CARE A-; Stable (01-Nov-22)
3	Non-fund-based - LT-Bank Guarantee	LT	46.00	CARE BBB; Stable	-	1)CARE BBB+; Negative (11-Feb-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

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
3	Non-fund-based - LT-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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About us:
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