

## Meena Agency Limited

March 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	26.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable / CARE A3 and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	3.00	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 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 Ltd. (CareEdge Ratings) has been seeking information from Meena Agency Limited (MAL) to monitor the ratings vide e-mail communications dated January 13, 2026, January 30, 2026, February 25, 2026, and March 03, 2026, amongst others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant 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. The ratings on MAL's bank facilities will now be denoted as **CARE BB+; 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 assigned to the bank facilities of MAL have been revised on account of non-availability of the requisite information to conduct the review.

Ratings remained constrained on account of moderate profitability, along with low-capacity utilisation levels, and high customer concentration risk and a risk of lower offtake/ non-renewal of agreement with TRL Krosaki Refractories Limited (TRL). Ratings are further constrained by MAL's presence in an intensely competitive and fragmented refractory segment, significant non-current investments in non-core business, susceptibility of profitability to volatile raw material and fuel prices and working capital intensive nature of business.

However, ratings continue to derive strength from the MAL's experience promoters having around four decades of experience of operating in the refractory industry, presence of off-take agreement with strong counter party i.e. TRL for supply of entire refractory production and integrated manufacturing facility located in close vicinity of bauxite mines. Ratings further derive strength from moderate scale of operations, comfortable capital structure, moderate debt coverage indicators.

**Analytical approach:** Standalone

**Outlook:** Stable

Stable outlook reflects CareEdge Ratings expectation that, MAL shall be able to sustain its credit risk profile in medium term supported by its established experience of promoter in the refractory industry and low counter party credit risk with presence of an off-take agreement with TRL for the supply of entire refractory production.

### Detailed description of key rating drivers:

At the time of last rating on April 08, 2025, following were the key rating strengths and weaknesses considered (updated with FY25 (A) financials).

### Key weaknesses

#### Growing albeit moderate scale of operations and moderate profitability

MAL's total operating income (TOI) remained stable at ₹112.81 crore during FY25 as against ₹110.74 crore during FY24. Profitability remained moderate marked by profit before interest, lease, depreciation and tax (PBILDIT) and profit after tax (PAT) margin of 10.07% and 3.63% respectively in FY25 as against 10% and 2.79% respectively in FY24. MAL reported gross cash accruals (GCA) of ~₹8 crore in FY25 (FY24: ₹~11 crore).

<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.

**Significant investments and advances towards non-core assets**

MAL has significant investment in non-core assets in the form of loans and advances (L&) extended to various external entities, some of which are engaged in unrelated business. Total L&A extended stood at ₹14.98 crore as on March 31, 2024 (P.Y.: ₹14.84 crore). Any further significant addition to the L&A extended and timely recovery of the advances would be a key rating monitorable. Adjusted overall gearing (net-worth adjusted for the L&A) remained comfortable at 0.79x as on March 31, 2024 (P.Y.: 0.81x).

**Working capital intensive nature of operations and susceptibility of profitability to volatile raw material and fuel prices**

MAL's business is working capital intensive owing to the requirement of maintaining high inventory of raw bauxite and calcine bauxite due to the seasonality associated with mining operations. Although improved, MAL's operating cycle and gross current asset days remained elongated at 155 days and 463 days respectively in FY25 (246 days and 423 days respectively in FY24) owing to higher inventory holding period.

Prices of major raw material i.e. raw bauxite and fuel (furnace oil) constitute around 50-60% of total cost of sales of MAL. Considering MAL maintains sizeable inventory levels and prices of both are market driven, sharp fluctuations in its prices may exert pressure on profitability of the company. However, the provision for revision in selling price as per the agreement with TRL, in case of significant fluctuations in input prices, mitigates the risk to a certain extent.

**Risk of lower off-take and non-renewal of contract with TRL and presence in fragmented and competitive refractory industry**

As no minimum off-take quantity is agreed upon, MAL remains exposed to the risk of lower off-take from TRL. Furthermore, the off-take agreement with TRL is renewed every year and can be terminated by either party by giving a 90 days' notice. Considering, TRL is the largest customer, MAL is exposed to the risk of non-renewal of the agreement. However, strong track record of timely renewal of contract with TRL during last 18 years mitigates the risk to a certain extent.

The Indian Refractory industry is highly fragmented with more than 150 players. The industry also faces intense competition from cheap refractory products dumped from China. Furthermore, considering 75% of total refractory demand is from steel and cement industry, which is cyclical in nature any negative impact on this industry may have negative repercussions for MAL.

**Key Strengths****Experienced promoters along with an established track record of operations in refractory industry**

Promoted by Mr. Pankaj Shah, MAL commenced operations as a partnership concern in 1981 and later in year 1993 it was converted into a closely held public limited company. MAL has an operational track record of nearly four decades for manufacturing of high-grade calcined bauxite and related refractory materials. Mr. Pankaj Shah has an experience of more than four decades in the refractory industry and is supported by his brothers Mr. Yogesh Shah and Mr. Mayur Shah.

**Reputed clientele with low counterparty credit risk, albeit high customer concentration**

MAL has an off-take arrangement with TRL since past 17 years (which is renewed every year) for purchase of entire refractories production. MAL is the exclusive supplier of TRL for high-grade calcine bauxite refractory products. TRL is the one of the largest manufacturers of refractory products in India. As per the agreement, TRL supervises the operations and purchase the entire production of its Samakhlyali plant (MAL's refractory division). Apart from supplying refractory products to TRL, MAL also sells high grade calcine bauxite in the open market, mainly to Calderys India Refractories Ltd and other reputed players. Revenue from TRL and Calderys accounted for ~91% (FY23: 77%) and 3% (FY23: 11%) respectively of MAL's total revenue in FY24. Even though the client concentration remains high among top five customers, accounting for around 97-99% of the total sales in FY24, the counterparty credit risk remains low.

**Integrated manufacturing facilities along with operating wind power generation plant for captive use** MAL has a fully integrated manufacturing plant located at Samakhlyali, Gujarat with a manufacturing capacity of 72,000 MTPA of calcine bauxite; 54,000 MTPA of mortars and 36,000 MTPA of refractory bricks. It also operates another plant at Samor, Gujarat with an installed capacity of 36,000 MTPA of calcine bauxite. Proximity of manufacturing facility to bauxite mines reduces transportation cost for raw materials and ensures easy availability of bauxite from private mine owners. MAL also operates wind based power plant of 3 MW which is mainly used for captive consumption.

**Comfortable capital structure and moderate debt coverage indicators**

MAL's capital structure remained comfortable marked by below unity overall gearing of 0.51x as on FY25 end (0.66x as on FY24 end), As on March 31, 2025 the total of MAL stood at ₹46.26 crore (FY24: ₹56.88 crore) which majorly constituted working capital borrowing of ~₹22 crore (FY24 : ~₹25 crore) and Unsecured loans of ~₹13 crore (FY24: ~₹16 crore).

Debt coverage indicators remained moderate marked by PBILDT interest coverage of 3.99x (FY24: 3.31x) and total debt to gross cash accruals (TDGCA) of 5.79x (FY24: 5.16x) in FY25.

### Applicable criteria

- [Definition of Default](#)
- [Information Adequacy Risk and Issuer Non-Cooperation](#)
- [Rating Outlook and Rating Watch](#)
- [Manufacturing Companies](#)
- [Financial Ratios – Non financial Sector](#)
- [Short Term Instruments](#)

### About the company and industry

#### Industry classification

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

Incorporated in 1993, MAL took over the business of the partnership firm i.e. M/s. Meena Agency (operational since 1981). Jamnagar-Gujarat based MAL is promoted by Mr. Pankaj Shah and his family members. MAL currently operates two divisions i.e. rotary Kiln division for manufacturing of calcine bauxite from raw bauxite and refractory division for manufacturing of bricks, mortars & other castables. As on December 31, 2024, MAL had an installed production capacity of 1,08,000 MTPA for calcine bauxite; 54,000 MTPA for mortars and 36,000 MTPA for refractory bricks. MAL also operates a 3 MW wind power plant in Gujarat, which is majorly used for captive consumption.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	110.74	112.81
PBILDT*	11.07	11.36
Profit after tax (PAT)	3.09	4.09
Overall gearing (x)	0.66	0.51
Interest coverage (x)	3.31	3.99

A: Audited; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit	-	-	-	-	26.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	0.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	-	3.00	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	26.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING *	1)CARE BBB-; Stable / CARE A3 (08-Apr-25)	-	1)CARE BBB-; Stable / CARE A3 (07-Mar-24)	1)CARE BBB-; Stable / CARE A3 (25-Jan-23)
2	Term Loan-Long Term	LT	-	-	1)Withdrawn (08-Apr-25)	-	1)CARE BBB-; Stable (07-Mar-24)	1)CARE BBB-; Stable (25-Jan-23)
3	Fund-based - ST-Bill Discounting/Bills Purchasing	ST	-	-	-	-	-	1)Withdrawn (25-Jan-23)
4	Non-fund-based - ST-Letter of credit	ST	3.00	CARE A4+; ISSUER NOT COOPERATING *	1)CARE A3 (08-Apr-25)	-	1)CARE A3 (07-Mar-24)	1)CARE A3 (25-Jan-23)
5	Non-fund-based - ST-Forward Contract	ST	-	-	-	-	-	1)Withdrawn (25-Jan-23)
6	Non-fund-based - ST-Credit Exposure Limit	ST	-	-	-	-	-	1)Withdrawn (25-Jan-23)
7	Non-fund-based - LT/ST-Bank Guarantee	LT/ST	0.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING *	1)CARE BBB-; Stable / CARE A3 (08-Apr-25)	-	1)CARE BBB-; Stable / CARE A3 (07-Mar-24)	1)CARE BBB-; Stable / CARE A3 (25-Jan-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/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Letter of 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.

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