Mahavir Rolling Mill LLP

June 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	20.00	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	6.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

For arriving at ratings of Mahavir Rolling Mill LLP (MRML), CARE Ratings Limited (CareEdge Ratings) has considered combined financial and business risk profile of MRML, M. K. Shipping and Allied Industries Private Limited (MKSAIPL; rated 'CARE BBB; Stable/ CARE A3'), Anupama Steel Limited (ASL; rated 'CARE BBB; Stable/ CARE A3'), Puneet Industries Private Limited (PIPL; rated 'CARE BBB; Stable/ CARE A3'), and Mahavir InductO-Melt Private Limited (MIMPL; rated 'CARE BBB; Stable/ CARE A3'), henceforth, referred to as Mahavir Group (MG). All five entities operate in similar line of business and are owned and operated by a common promoter.

Ratings assigned to bank facilities of MG continue to derive strength from promoters' extensive experience in the ship-recycling industry, its presence at the Alang-Sosiya region, which is one of the largest ship-recycling yards of the world, and certification for the green recycling. Ratings continue to consider MG's moderate scale of operations, moderate capital structure and debt coverage indicators, and adequate liquidity.

However, ratings continue to remain constrained, considering MG's moderate profitability which is susceptible to volatile raw material and forex rates, presence in the cyclical ship-recycling industry, and exposure to regulatory and environmental hazard risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in scale of operations of MG with interest coverage of over 5x on a sustained basis.
- Improvement in letter of credit (LC) coverage ratio of MG beyond 1.50x on a sustained basis.

Negative factors

- Decline in the scale of operation of MG below ₹200 crore with profit before interest, lease, depreciation and tax (PBILDT) margin below 2.50% on a sustained basis.
- Deterioration in LC coverage ratio of MG below 1.15x on a sustained basis.
- Major diversion of funds to non-core business operations impacting the liquidity.

Analytical approach: Combined

For arriving at credit ratings, CareEdge Ratings has combined operational and financial risk profiles of ASL, MIMPL, MKSAIPL, PIPL, and MRML [together referred to as MG]. All five entities operate in similar line of business and are owned and operated by a common promoter and has cash flow fungibility. List of combined entities is mentioned as Annexure-6.

Outlook: Stable

Outlook on the long-term rating of MRML is 'Stable', as the entity derives benefit from promoters' extensive industry experience and its location advantage with presence in the Alang-Sosiya region.

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

Detailed description of key rating drivers:

Key strengths

Favourable location of ship-recycling yards

MG's ship-recycling yards are at the Alang-Sosiya belt, which is one of the world's largest ship-recycling yards and caters to ~90% of India's ship-recycling activity. The area's unique geographical features, including a high tidal range, wide continental shelf, adequate slope, and a mud-free coast, are ideal for even large-sized ships to be beached easily in high tide. It accommodates ~170 plots spread over ~10-km-long stretch along the seacoast of Alang. Of four plots in the group, MG owns one of the largest-sized plots in the yard having 120 metres (V-5) frontage in MIMPL suitable for recycling larger ships. Multiple yards with different frontage provided flexibility in buying different types/size of ships for recycling.

Under MG, all four ship-recycling entities have Indian Register of Shipping (IRS) and Nippon Kaiji Kyokai (NK) class certifications. All four entities have been issued Statement of Compliance (SoC) from IR Class for Hong Kong Convention Compliance.

Moderate scale of operations and profitability

Over the years, MG's total operating income (TOI) remained volatile depending on the ship availability and steel price volatility. Apart from ship-recycling, MG is also engaged in trading of steel products, which is largely carried out under ASL.

MG's TOI moderated by ~20% year-on-year (y-o-y) ₹294.44 crore in FY26 (FY25: ₹366.94 crore) amidst a muted industry scenario. TOI is expected to recover in FY27, supported by procurement of ships in the later part of FY26.

MG's profitability improved significantly, marked by PBILDT margin and profit after tax (PAT) margin of 5.73% and 1.99%, respectively, in FY26, compared to 2.28% and 1.29%, respectively, in FY25, with better realisations in metal prices.

On a standalone basis, MRML reported TOI of ₹65.44 crore (FY25: ₹73.00 crore). PBILDT and PAT margin remained moderate at 1.31% and 2.46%, respectively, in FY26 (0.92% and 1.52% respectively in FY25). It reported gross cash accruals (GCA) of ₹2.11 crore in FY26 (FY25: ₹1.79 crore).

Moderate capital structure and debt coverage indicators

MG's capital structure remained moderate marked by an overall gearing of 1.99x as on March 31, 2026 (1.10x as on March 31, 2025). Moderation in the overall gearing y-o-y basis was due to increase in working capital borrowings with procurement of ships. MG maintains liquidity in terms of free cash and fixed deposits (FDs), adjusted for which, its overall gearing (total debt [TD] after netting off lien marked FDs, free cash and bank balance) remained low at 1.10x as on March 31, 2026 (0.29x as on March 31, 2025). MG's tangible net worth (TNW) remained healthy at ₹178.83 crore as on March 31, 2026.

MG's debt coverage indicators remained moderate marked by TD/GCA and PBILDT interest coverage ratio of 47.50x and 0.79x, respectively, in FY26, compared to 29.45x and 0.59x, respectively, in FY25. The group, leveraging its surplus liquidity, generates interest income by extending short-term loans and advances to third parties. MG earned interest income (considered as non-operating) of ₹13.98 crore in FY26 (FY25: ₹14.19 crore).

On a standalone basis, MRML's capital structure remained comfortable marked by overall gearing of 0.04x as on March 31, 2026 (0.03x as on March 31, 2025).

Experienced promoter group

MG is managed by the Bansal family based out of Bhavnagar, Gujarat. The promoter, Kishorechand Bansal, has over three decades of experience in the ship-recycling industry and is also actively involved in the group's day-to-day operations. He is well supported by his son, Moulik Bansal, and his family and relatives, including Puneet Diwanji and Shrenik Diwanji. MG's ship-recycling activity is carried at premises leased by Gujarat Maritime Board (GMB) in the Alang-Sosiya belt of Gujarat. The group has recycled over 200 ships as on March 31, 2026, with capacity ranging from 10,000 light deadweight tonnage (LDT) to very large crude carriers (VLCC) of ~24,000 LDT.

Key weaknesses

Exposure to adverse movement in steel prices and forex rates

Steel prices are inherently volatile, influenced by global and domestic demand-supply dynamics. This exposes ship recyclers such as MG to adverse price movements on uncut ship inventory affected by the time elapsed since purchase and the ship's size/tonnage—and on unsold steel scrap inventory. The group utilises LC facilities to acquire old ships, with transactions

denominated in foreign currency. Consequently, MG faces foreign exchange fluctuation risks in the LC usance period, as its revenues are denominated in Indian Rupees (INR). To mitigate this risk, the group partially hedges its forex exposure based on prevailing market conditions. MG operates a rolling mill under MRML, manufacturing secondary steel products, such as angles, channels, and round bars. MRML sources part of its raw material from associated ship-recycling entities, providing a partial hedge against steel price volatility across the group's operations.

Presence in the cyclical and competitive industry

The ship-recycling industry is cyclical in nature as supply of old ships for recycling is inversely proportional to freight rates in the global economy. These freight rates consider the global demand of seaborne transport and supply of new vessels, which in turn depends on global merchandise trade. Better availability of old ships for recycling is ensured at the time of recession and when freight rates are low, which makes it economical to dismantle the ship rather than continue to operate it. The ship availability was adversely impacted in the last year due to high freight prices. However, the recent moderation in global freight charges augurs well for the industry. Indian ship-recyclers faces intense competition from neighbouring countries, such as Bangladesh and Pakistan.

Exposure to regulatory and environment hazard risk

The ship-recycling industry is highly regulated with strict working and safety standards to be maintained by ship recyclers for their labourers and environmental compliance. The industry is prone to pollution-related risks, as it involves dismantling of ships, which contain hazardous substances, such as lead, asbestos, acids, and hazardous paints, among others, which have to be properly disposed-off per regulatory guidelines. Government of India had also enacted the Recycling of Ships Act, 2019 ("Act"). The preamble of this Act mentions the regulation of recycling of ships by setting certain standards and laying down the statutory mechanism for the enforcement of such standards and related matters. Thus, complying to regulatory guidelines and safety standards are crucial for operations of ship recyclers.

Liquidity: Adequate

MG has adequate liquidity marked by moderate utilisation of working capital limit, considerable amount of liquidity in terms of free cash and bank balance and FD and moderate LC coverage ratio. Cash flow from operations (CFO) stood at ₹43.45 crore in FY26 compared to ₹32.25 crore in FY25.

MG is expected to generate GCA of ~₹7-8 crore which would be adequate for meeting its working capital requirement whereas debt repayment obligation remained minimal at ~₹1 crore in FY26. Average fund-based working capital utilisation stood moderate at 35%, respectively, for 12 months ended May 2025.

Ship-recycling entities need to park their sale proceeds into FDs per the schedule given by banks at the time of opening the LC for ship purchase, which are lien marked against the LC obligation towards purchase of the ship, in addition to the upfront margin kept for opening of LC in favour of the supplier. This ensures gradual build-up of reserve funds to meet the sizeable LC payment obligations at maturity. MG is continuously maintaining adequate LC coverage ratio. For its ship-recycling entities, LC coverage stood at 1.17x as on March 31, 2026.

The group has free cash and liquid investments of ₹70.57 crore as on March 31, 2026 (excluding lied marked FD of ~₹72.62 crore). MG's operating cycle remained at 78 days in FY26 (104 days in FY25).

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Short Term Instruments
Wholesale Trading

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

MG consists of five entities – ASL, MKSAIPL, MIPL, PIPL, and MRML, of which, former four entities (except MRML) are engaged into ship-recycling business, while MRML has a rolling mill plant and is engaged in manufacturing secondary steel products, such as angles, channels, and round bars. Ship-recycling operations of all four entities are carried at premises leased out by GMB in Bhavnagar. MG's promoters have experience of over three decades in the ship-recycling industry. MIMPL (CIN: U27310GJ1983PTC006260) was incorporated in 1984 by Kishorechand Bansal and is one of the oldest ship-breaking entities since opening of ship-recycling facilities at Alang-Sosiya belt of Bhavnagar region in Gujarat. MIMPL owns one of the five largest plots in the yard having a frontage of 120 metres.

Brief Financials (₹ crore)- Combined (MG)	March 31, 2025 (UA)	March 31, 2026 (UA)
Total operating income	366.94	294.44
PBILDT*	8.38	16.88
PAT	4.74	5.87
Overall gearing (times)	1.10	1.99
Interest coverage (times)	0.59	0.79

UA: Un-Audited; As financials are combined by the analytical team based on line-by-line addition and netting off intergroup transactions.
Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax.

Brief Financials (₹ crore) - Standalone (MRML)	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	73.00	65.44
PBILDT*	0.67	0.86
Profit after tax (PAT)	1.11	1.61
Overall gearing (x)	0.03	0.04
Interest coverage (x)	NM	NM

A: Audited; Provisional; Note: These are latest available financial results; NM: Not meaningful
*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-Cash Credit	-	-	-	-	20.00	CARE BBB-; Stable
Fund-based - ST-Working Capital Limits	-	-	-	-	2.00	CARE A3
Non-fund-based - ST-Bank Guarantee	-	-	-	-	4.00	CARE A3

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	20.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (07-Aug-25)	1)CARE BBB-; Stable (16-Sep-24)	1)CARE BBB-; Stable (06-Dec-23)
2	Non-fund-based - ST-Bank Guarantee	ST	4.00	CARE A3	-	1)CARE A3 (07-Aug-25)	1)CARE A3 (16-Sep-24)	1)CARE A3 (06-Dec-23)
3	Fund-based - ST-Working Capital Limits	ST	2.00	CARE A3	-	1)CARE A3 (07-Aug-25)	1)CARE A3 (16-Sep-24)	1)CARE A3 (06-Dec-23)

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	Fund-based - ST-Working Capital Limits	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	M. K. Shipping and Allied Industries Private Limited	Full	Operational and financial linkages
2	Puneet Industries Private Limited	Full	Operational and financial linkages
3	Anupama Steels Limited	Full	Operational and financial linkages
4	Mahavir InductO-Melt Private Limited	Full	Operational and financial linkages

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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