M.P Mining and Energy Private Limited

June 22, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	0.50	CARE B-; Stable	Assigned
Long Term Bank Facilities	28.50 (Enhanced from 10.00)	CARE B-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE D; Stable outlook assigned
Short Term Bank Facilities	1.00	CARE A4	Assigned

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-6.

Rationale and key rating drivers

In the absence of minimum information required for the purpose of rating, CARE Ratings Ltd. (CARE) was unable to express an opinion on the rating of M.P Mining and Energy Private Limited and in line with the extant SEBI guidelines, CARE had moved the rating of bank facilities of the company to 'CARE D; ISSUER NOT COOPERATING'. However, the company has now submitted the requisite information to CARE. Accordingly, CARE has carried out a full review of the rating, and the rating is revised to 'CARE B-; Stable / CARE A4'.

Revision in the rating assigned to bank facilities of MP Mining and Energy Private Limited considers MPEPL satisfactory track record of debt servicing for over 90 days.
The rating assigned to bank facilities of MPEPL continues to remain constrained by past record of delay in debt servicing, its small scale of business with low profitability margin, leveraged capital structure, lack of backward integration vis-à-vis volatility in raw material prices, highly competitive and fragmented nature of the industry, high working capital intensity and cyclicality in the steel industry. However, the aforesaid constraints are partially offset by its experienced promoters and strategic location of the plant with proximity to the source of raw materials

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operation above ₹80.00 crore and improvement in profitability margin.
- Improving capital structure marked by overall gearing less than 3x on a sustained basis.

Negative factors

- Decline in scale of operation below ₹30 crore.
- Elongation in operating cycle or declining cash accruals leading to liquidity crunch on a sustained basis.

Analytical approach: Standalone

Outlook: Stable
Stable outlook reflects the company's ability to sustain and improve its revenue and liquidity position going ahead and will continue to derive benefit from experience of promoters.

Detailed description of key rating drivers:

Key weaknesses

Past record of delay in debt servicing
There has been instance of delays in serving of term loan in the past with last delay on Mar 5, 2026. However, post that, there has not been any delay in debt servicing and also no instances of overutilization in working capital limits.

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

Small scale of operation with low profitability margin

MPEPL is a relatively small player in the steel industry. Over the last few years, the company's TOI has remained largely stagnant impacted by fire incident in the factory in FY23 and health related issue of Mr. Abhinav Jha in FY24. TOI moderated by 14% to Rs.44.98 crore in FY25 over FY24 on account of moderation in sales realisation, though sales volume witnessed a traction with ~4% y-o-y growth backed by improved demand from customers. In FY26, company has achieved TOI of 40.24 crore.

MPEPL operating profitability exhibited an improving trend with PBILDT margin improving from 4.85% in FY23 to 6.41% in FY25 on the back of shift in sale to end user industry from sale to traders earlier. However, Profit after Tax (PAT) margin moderated from 2.19% in FY23 to 0.91% in FY25 due to increased interest cost to fund elongated working capital cycle due to company selling majorly to end user industry now (vis-à-vis sales to traders earlier) wherein it has to extend higher credit period and also has to maintain multiple SKUs as part of its inventory.

Leveraged capital structure

The entity's capital structure stood leveraged, as marked by an overall gearing of 4.69x as on March 31, 2025 (4.04x as on March 31, 2024) with high reliance on external debt and unsecured loan from promoters. The total outside liabilities to net worth stood high at 5.03x as on March 31, 2025 (improved from 4.51x as on March 31, 2024). The moderation in capital structure was on account of increase in working capital borrowings. The promoters have infused funds in the past as and when required to support operations and will continue to do so if required.

Debt coverage indicators stood moderate, as marked by PBILDT interest coverage of 1.81x in FY25 (2.12x in FY24) and high total debt to GCA (TD/GCA) of 27.66x in FY25(18.67x in FY24). As articulated by management, the company expects to receive capital subsidy of Rs.11 crore in FY27 and the same would be utilized for repayment of term loan and to fund working capital requirement.

High working capital intensity

The entity's operations are working capital intensive as reflected by Gross Current Asset days and working capital cycle of 222 days (FY24: 149 days) and 173 days (FY24: 109 days) in FY25 respectively. Working capital cycle has elongated due to company selling majorly to end user industry now (vis-à-vis sales to traders earlier traders) wherein it has to extend higher credit period. Also, the company has to maintain multiple SKUs as part of its inventory leading to higher inventory holding period. As a result, average inventory holding period and collection period increased from 107 days and 23 days in FY24 to 151 days and 45 days respectively.

Lack of backward integration vis-à-vis volatility in raw material prices

The degree of backward integration defines the ability of the company to minimize price volatility risk and withstand cyclical downturns generally witnessed in the steel industry. MPEPL does not have backward integration for its basic raw material (steel scrap) and has to purchase the same from open market. Hence, it is exposed to price volatility risk.

Highly competitive and fragmented industry

MPEPL is engaged in manufacturing of steel shot and grit which is characterised by high fragmentation mainly due to presence of a large number of unorganised players. The spectrum of the steel industry in which the company operates is highly fragmented and competitive marked by the presence of many organised as well as unorganised players. Hence the players in the industry do not have pricing power and are exposed to competition putting pressure on profitability.

Cyclicality in the steel industry

Prospects of steel industry are strongly co-related to economic cycles. Demand for steel products is sensitive to trends of particular industries, such as construction and infrastructure, which are the key consumers of steel products. Slowdown in these sectors leads to decline in demand of steel. Non-integrated players such as MPEPL are more susceptible to adverse industry scenario.

Key strengths

Experienced Promoter

The company is promoted by Ms. Usha Rani, who holds an M.Sc. and an MBA degree and has over three decades of experience in the industry along with around a decade of entrepreneurial experience. She looks after the overall management of the company, including administration and business development functions. She is supported by Mr. Abhinav Jha, who holds a B.E. in Engineering and a postgraduate diploma and has around a decade of industrial experience along with entrepreneurial exposure of about five years. The promoters are actively involved in the strategic planning and day-to-day operations of the company, supported by a team of experienced personnel.

Strategic location of the plant with proximity to source of raw materials

The company's manufacturing facility is located in Deoghar, Jharkhand, which is in close proximity to key raw material sources, thereby providing logistical advantages. The plant is well connected through road and rail networks, facilitating efficient transportation of raw materials and finished goods. Additionally, the availability of adequate labour at relatively lower cost supports its operational efficiency.

Liquidity: Stretched

Liquidity remains stretched, the company utilized approximately 99% of its sanctioned bank limits during the last 12-month period ending April 2026. The company's debt repayment ₹1.61 crore in FY25 and ₹1.80 crore in FY26 remains tightly matched with gross cash accruals of ₹1.28 crore in FY25. To support operations, the promoters infused ₹1.07 crore in FY25 and ₹2.91 crore in FY26 as and when required. Going forward, the promoters are expected to continue extending financial support, as articulated by the management. The current ratio stood at 1.31x, while the quick ratio remained subdued at 0.35x.

Environment, social, and governance (ESG) risks: NA

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
Iron & Steel

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Incorporated in September 2011, M.P Mining and Energy Private Limited (MPEPL) is engaged in manufacturing of steel shot and grit which is used in the process of metal surface cleaning, metal surface finishing, improving the surface tension of metal and it also finds application in construction, automobile and steel industry etc. The facility of the company is located at Deoghar, Jharkhand with an aggregate installed capacity of 27,000 Metric Tonne Per Annum (MTPA). The company started its commercial operations from February 2016. Mr. Abhinav Jha, having of more than one decade of experience in the steel industry, looks after the overall management of the company along with the other director Mrs. Usha Rani and supported by the team of experienced professionals.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	52.26	44.98	40.24
PBILDT*	2.79	2.89	NA
Profit after tax (PAT)	0.72	0.41	NA
Overall gearing (x)	4.04	4.69	NA
Interest coverage (x)	2.12	1.81	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: Brickwork has continued the rating assigned to the bank facilities of MMEL into Issuer Not Cooperating category vide press release dated May 6, 2026, on account of its inability to carry out a review in the absence of requisite information.
CRISIL has continued the rating assigned to the bank facilities of MMEL into Issuer Not Cooperating category vide press release dated June 9, 2025, on account of its inability to carry out a review in the absence of requisite information.

Any other information: NA

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		-	-	-	23.54	CARE B-; Stable
Fund-based - LT-Term Loan		-	-	July 2021	4.96	CARE B-; Stable
Non-fund-based - LT-Bank Guarantee		-	-	-	0.50	CARE B-; Stable
Non-fund-based - ST-Letter of credit		-	-	-	1.00	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 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-Term Loan	LT	4.96	CARE B-; Stable	-	1)CARE D; ISSUER NOT COOPERATING* (25-Apr-25)	1)CARE D; ISSUER NOT COOPERATING* (22-Apr-24)	-
2	Fund-based - LT-Cash Credit	LT	23.54	CARE B-; Stable	-	1)CARE D; ISSUER NOT COOPERATING* (25-Apr-25)	1)CARE D; ISSUER NOT COOPERATING* (22-Apr-24)	-
3	Non-fund-based - LT-Bank Guarantee	LT	0.50	CARE B-; Stable				
4	Non-fund-based - ST-Letter of credit	ST	1.00	CARE A4				

*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: NA

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
4	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.

Annexure-6: 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.	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 rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

[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

^ 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.

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About us:

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