BRICKWORK RATINGS

Rating Rationale

23 September 2026

Kumar's Metallurgical Corporation Limited

SUMMARY OF RATING ACTION

Facilities / Instrument	Tenure	Amount (₹ crore)	Rating	Rating Action	Regulator
Fund-Based	Long Term	63.54	BWR BBB/Stable	Assignment	RBI
Non-Fund-Based	Short Term	15.00	BWR A3	Assignment	RBI
Total		**78.54**	(Rupees Seventy Eight Crores and Fifty Four Lakhs Only)		

Note:
1. Please refer to the BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK

Brickwork Ratings (BWR) has assigned a long-term rating of BWR BBB with a stable outlook and a short-term rating of BWR A3 to the Bank Loan Facilities aggregating to Rs.78.54 crore of Kumar's Metallurgical Corporation Limited (KMCL).

BWR has combined the financial and business risk profile of Mahalakshmi Profiles Private Limited (MPPL), MPL Steel Industries Private Limited (MSIPL), and Kumar's Metallurgical Corporation Limited (KMCL) to arrive at the ratings, considering the strong operational, managerial, and financial interlinkages among the group entities

The rating assigned to the bank facilities of KMCL factors in the group support from being part of the MPL group, its established track record of operations, and moderate to strong linkages due to shared management, strong strategic alignment, and ongoing operational and financial backing with the Mahalakshmi Profiles Private Limited (BWR A-/Stable/BWR A2+).

The ratings are constrained due to the moderate working capital cycle and the elevated credit profile reflected in its TOL/TNW both at standalone and combined levels. Inherent cyclicality of the industry and the commoditised nature of both the raw material and finished goods, which might lead to volatile margins, are other factors that constrain the ratings.

The 'Stable' outlook reflects the expectation that KMCL will maintain its operating performance and adequate liquidity, underpinned by continued group-linked demand and promoter support.

KEY COVENANTS OF THE INSTRUMENT/FACILITY The terms of sanction include standard covenants normally stipulated for such facilities.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to Financial Ratios • Short Term Debt • Rating of Entities Based on Group Support • Rating of Iron & Steel Industry • Manufacturing Company

Parent/Group/ Government Support	Group Support
Analytical Approach (Consolidation/Standalone)	BWR has taken a combined / group approach for the bank loan rating and combined the financial risk profile of Mahalakshmi Profiles Private Limited, MPL Steel Industries Private Limited and Kumar Metallurgical Corporation Limited due to the interlinkages in operations, treasury management and commonality of management. The strength of each of these parameters, both at standalone level and at group level, was factored in to determine the ratings of each of the entities mentioned above

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

- **Established presence in the steel industry and operational linkages with the MPL Group:**
  KMCL benefits from its association with the MPL Group, which has an established presence in the steel industry since 1959 and operates across the steel value chain. KMCL forms part of the group's backward integration chain, with sponge iron primarily supporting the raw material requirements of group entities. The established group ecosystem provides demand visibility and operational linkages, while common promoters and inter-company relationships provide strategic flexibility.

- **Scale of operations, albeit moderate profitability:**
  Kumar's Metallurgical Corporation Limited(KMCL) revenue has remained in the range of Rs. 150cr- Rs. 160 cr, with the majority of its revenue being contributed by sales to MPPL. The operating margins have remained in the range of 5-9% during FY'24 to FY'26. BWR believes the company is likely to grow at a steady pace going forward
  On a combined level, the revenue of the group remained between Rs.1000 cr- Rs. 1100 cr, with operating margins between 5.5% and 6% during the period, partially helped by the closely integrated operations where MPL Steel Industries Private Limited (MSIPL) and Kumar's Metallurgical Corporation Limited (KMCL) produce and supply approximately half of the sponge iron to Mahalakshmi Profiles Private Limited (MPPL). Additionally, the group also produces around 32% of its power requirement and has adequate linkages for supply of coal in its vicinity.

Credit Risks

- **Elevated credit risk profile:**
  The company's The TOL/TNW has remained in the range of 5.66x to 10.60x while Total Debt/TNW has remained between 5x and 10x during FY'24 to FY'26. Unsecured loans infused by the promoters are treated as quasi-equity, as it is stipulated to remain in the business as per bank sanction letters. Adjusting for these unsecured loans, the TOL/TNW remains in the range of 4.5x to 8x, while Total Debt/TNW is between 2.14x and 2.90x during the same period.
  The ISCR and DSCR remained above 1.18x and 1.43x during the same period.
  On a combined level, between FY24 and FY26, the TOL/TNW ratio ranged from 2.8x to 3.6x, while the adjusted TOL/TNW remained between 2.4x and 3.2x. During the same period, Total Debt/TNW ranged from 2.3x to 3.0x, and adjusted Debt/TNW stood between 1.4x and 1.6x.
  While the TOL/TNW and Debt/TNW, as well as interest cover and DSCR, are expected to deteriorate marginally owing to the additional loan proposed to be taken for working capital requirements, BWR expects the credit profile to remain comfortable and commensurate with the current ratings.

- **Exposure to volatility in raw material prices and competitive intensity:**
  The group's operating margins remain vulnerable to price fluctuations in key raw materials such as sponge iron, steel scrap, billets, and coal, which constitute a major portion of its total costs. Its ability to pass on these price variations to customers is a key monitorable. Additionally, intense competition from both organized and unorganized players in a highly fragmented market exerts continuous pricing pressure. These risks are further compounded by the inherent cyclicality of the steel industry, which exposes the company's revenue and cash flows to economic downturns and demand shifts in end-user sectors like real estate, construction, and infrastructure.

RATING SENSITIVITY FACTORS

Positive Sensitivities:

- Strengthening of the capital structure through internal accruals and/or debt reduction, with TOL/TNW improving and remaining below 3.5x at standalone level or 2.0x at combined level.

Negative Sensitivities:

- Decline in operating profitability resulting in EBITDA margin falling below 4%, or any material deterioration in liquidity.
- Sustained increase in TOL/TNW beyond 6.5x at standalone level or 4.5x at combined level due to unplanned debt-funded capex or higher working capital requirements either at standalone level or at group level may lead to negative rating action

LIQUIDITY POSITION -Adequate

The company had unencumbered cash and cash equivalents of Rs. 0.26 crore as on March 31, 2026. BWR expects the company to earn cash accruals of ~Rs.9 crore against scheduled debt repayments of Rs. 7.19 crore in FY'27. The average utilisation of the working capital limits remained high at around 90-95%; however, the proposed enhancement in the working capital facilities is expected to provide additional flexibility to support the company's operational and working capital requirements. Further, the financial flexibility derived from promoter/group support and unsecured loans, along with the established operational linkages within the MPL Group, provides additional comfort to the liquidity profile. At the combined level, the BWR estimates the group to generate cash accruals of around Rs. 38 crore against scheduled debt repayments of around Rs. 22 crore, providing further comfort from a group liquidity perspective.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

The company demonstrates an evolving ESG profile based on its environmental, social, and governance practices.

Environmental: Environmental considerations primarily arise from the energy-intensive nature of sponge iron manufacturing, including emissions, resource consumption, and generation of industrial waste. Management of emissions, waste disposal, and compliance with applicable environmental norms remain key monitorables.

Social: Social considerations relate mainly to occupational health and safety, employee welfare, and adherence to applicable labour requirements, given the nature of the manufacturing operations. No specific quantitative disclosures on workforce composition, safety performance, or training initiatives are available.

Governance: Governance assessment benefits from the company's established promoter group and experienced management, with the business having established linkages with other group entities. However, detailed disclosures on board independence, committee effectiveness, and formal risk-management practices are not readily available

COMPANY/FIRM PROFILE

Industry Classification			
Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Commodities	Metals and Mining	Ferrous Metals	Iron and Steel

Kumar's Metallurgical Corporation Limited (KMCL), based in Hyderabad, Telangana, is engaged in the manufacturing of sponge iron and has an installed capacity of 60,000 MTPA. The company was acquired through the NCLT process in 2021 and currently serves as a backward integration arm for Mahalakshmi Profiles Private Limited, supplying sponge iron to support its raw material requirements.
KMCL is held through MPL Galva Tubes Private Limited, its holding company. MPL Galva Tubes Private Limited is engaged in the manufacturing of pipes and has common promoters/shareholders with Mahalakshmi Profiles Private Limited (MPPL). Currently, MPL Galva Tubes Private Limited primarily acts as a holding company and does not have any significant business operations.

About the Group

Kumar’s Metallurgical Corporation Limited (KMCL) is part of the MPL Group, which has diversified interests across steel, cement, investments, and logistics. The group is promoted and managed by Mr.Ramniranjan Agarwal and Mr. Vinod Kumar Agarwal. While the group encompasses other entities, namely MPL Renewable Private Limited, MPL Logistics Hub Private Limited, MPL Cement and Sponge Limited, and MPL Galva Tubes Private Limited, their scale of operations and impact on the overall credit profile remain marginal. Given their limited scale and presence in unrelated business segments, BWR has not combined the financial and business risk profiles of these entities for the group's assessment

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in ₹ crore)	FY’24 (A)	FY’25 (A)	FY’26 (P- UA)
Operating Revenue*	157.48	149.43	150.62
EBITDA	14.00	7.76	7.92
PAT	5.80	7.21	6.96
Tangible Net Worth	8.84	11.69	18.66
Total Debt/Tangible Net Worth	9.77	7.41	4.85
Current Ratio	1.14	1.10	1.05

Combined Financial Indicators (in ₹ crore)	FY’24 (A)	FY’25 (A)	FY’26 (P- UA)
Operating Revenue	1132.20	1067.51	1134.31
EBITDA	66.93	59.90	65.80
PAT	22.88	20.27	24.49
Tangible Net Worth	131.04	157.90	182.42
Total Debt/Tangible Net Worth	3.04	2.52	2.33
Current Ratio	1.12	1.14	1.13

A: Audited; UA: Unaudited; P: Provisional; NA: Not Available.

All ratios as per BWR’s calculations; Amount in Rs. crore

*The company has earned other income of Rs.0.23cr in FY’24 (Aud); Rs.11.69cr in FY’25(Aud); and Rs.8.19cr in FY’26(Prov). The same has not been considered as part of Operating Revenue by BWR.

The company does not prepare consolidated financial statements; to arrive at combined financials, BWR has aggregated the line items of Mahalakshmi Profiles Private Limited (MPPL), Kumar Metallurgical Corporation Limited (KMCL) and MPL Steel Industries Private Limited (MSIPL) on a line-by-line basis.

RATING HISTORY FOR THE PREVIOUS THREE YEARS

	Current Rating			Rating History						
	September 2026			FY25			FY 24		FY 23	
Instrument	Type	Amount (₹ crore)	Rating	Date	Amount	Rating	Date	Rating	Date	Rating
Fund- Based	Long Term	63.54	BWR BBB/Stable Assignment	NA	NA	NA	NA	NA	NA	NA
Non-Fund-Based	Short Term	15.00	BWR A3/Assignment	NA	NA	NA	NA	NA	NA	NA
Grand Total		78.54	**(Rupees Seventy Eight Crores and Fifty Four Lakhs Only)**							

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund-Based	Simple
Non Fund-Based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Not applicable

ANY OTHER INFORMATION: None

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ANNEXURE I: Details of Bank Loan Facilities

Sl No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)	Complexity of the Instrument	Regulator
1	Axis Bank	Cash Credit -Sanctioned	15.00	-	15.00	Simple	RBI
2	Axis Bank	WCDL (Sublimit of Cash Credit)-Sanctioned	{10.00}	-	{10.00}	Simple	RBI
3	Axis Bank	Letter of Credit-Sanctioned		7.50	7.50	Simple	RBI
4	Axis Bank	Bank Guarantee (Sublimit of Letter of Credit)-Sanctioned		{7.50}	{7.50}	Simple	RBI
5	Axis Bank	Term Loan-Outstanding	12.63	-	12.63	Simple	RBI
6	HDFC Bank	Term Loan-Outstanding	13.41		13.41	Simple	RBI
7	HDFC Bank	Cash Credit -Sanctioned	22.50		22.50	Simple	RBI
8	HDFC Bank	WCDL (Sublimit of Cash Credit)-Sanctioned	{19.50}		{19.50}	Simple	RBI
9	HDFC Bank	DRUL(Sublimit of Cash Credit)-Sanctioned	{7.50}		{7.50}	Simple	RBI
10	HDFC Bank	Bank Guarantee-Sanctioned		7.50	7.50	Simple	RBI
11	HDFC Bank	Letter of Credit (Sublimit of Bank Guarantee)-Sanctioned		{7.50}	{7.50}	Simple	RBI
Total			**63.54**	**15.00**	**78.54**	Simple	RBI
Total (Rupees Seventy Eight Crores and Fifty Four Lakhs Only)							

ANNEXURE II: Details of Instruments / Facilities

Name of the Instrument/Facility	Long Term/Short Term	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ Crore)	Rating Assigned and Rating Outlook	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

No.	Instrument/Activity Name	Regulator of the Instruments
1	Listed/Proposed to be listed bonds/debentures/preference shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
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 Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, 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 Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference shares (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA

23	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), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) 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 during the regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and the investor-side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Note: Kindly note that for activities or 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.

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or 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.

For any grievances relating to rating of instruments regulated by other FSRs (Financial Services Regulators), please contact grievance@brickworkratings.com

Disclosure of Conflict of Interest

BWR Board of Directors has no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR) is a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and is accredited by the Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and has its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of Bank Loans, Non- convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

For more information on policies and ratings, please visit our website www.brickworkratings.com