BRICKWORK RATINGS

Rating Rationale

23 September 2026

MPL Steel Industries Private Limited

SUMMARY OF RATING ACTION

Facilities / Instrument	Tenure	Amount (₹ crore)	Rating	Rating Action	Regulator
Fund-Based	Long Term	**70.86**	BWR BBB/Stable	Assignment	RBI
Non-Fund-Based	Short Term	**20.00**	BWR A3	Assignment	RBI
Total		**90.86**	(Rupees Ninety Crores and Eighty-Six 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.90.86 crore of MPL Steel Industries Private Limited (MSIPL)

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 MSIPL 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 rating also factors in cost efficiencies derived from captive power generation and demonstrated financial support from the promoters.

The ratings are constrained due to the moderate working capital cycle and moderate 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 MSIPL will maintain its operating performance, supported by steady group-linked off-take and captive power cost benefits, while preserving a stable financial risk profile despite industry cyclicality.

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 strong operational linkages with the MPL Group:** MSIPL 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. MSIPL forms part of the group's backward integration chain, with sponge iron primarily supporting the raw material requirements of Mahalakshmi Profiles Private Limited, a group entity. The established group ecosystem provides demand visibility and operational linkages, while common promoters and inter-company relationships provide strategic flexibility.

- **Moderate scale of operations and improving profitability:**
  MPL Steel Industries Private Limited (MSIPL) revenue has remained in the range of Rs. 185cr- Rs. 195cr, with operating margins ranging between 7-10% during FY'24 to FY'26, indicating its ability to manage its cost structure in a commoditised industry which is exposed to significant volatility in both input prices as well as its end product. 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.

- **Moderate credit risk profile:**
  The company's The TOL/TNW has remained in the range of 2.50x to 3.8x while Total Debt/TNW has remained between 2.4x and 3.7x 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 2.2x to 3.3x, while Total Debt/TNW is between 1.07x and 1.4x during the same period. The DSCR for FY'26 stood at 1.27x and ISCR at 2.57x, showing improvement from FY'25 on account of improved operating profits.
  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 debt-funded capex, BWR expects the credit profile to remain comfortable and commensurate with the current ratings.

Credit Risks

- **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.

- **Moderate working capital cycle:**
  MSIPL operations remain working capital intensive, led by higher inventory which the company is required to maintain due to lead time for procurement of both raw material and coal. These inputs are generally procured with minimum credit availability. This has led to continued reliance on working capital borrowings, with utilisation of fund-based and non-fund-based limits remaining high.

On a combined level, the working capital cycle remained between 55-65 days, with interlinkages between the group companies providing some flexibility

RATING SENSITIVITY FACTORS

Positive Sensitivities:

- Strengthening of the capital structure through internal accruals and/or debt reduction, with TOL/TNW improving and remaining below 2.5x at standalone level or 2.0x at combined level.

Negative Sensitivities:

- EBITDA margin declining below 5.0% on a sustained basis, resulting in weakening of DSCR below 1.20x.
- Sustained increase in TOL/TNW beyond 4.0x 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 around Rs. 0.28 crore as on March 31, 2026. BWR estimates the company to generate cash accruals of around Rs. 9 crore in FY’27 against scheduled debt repayments of around Rs. 6 crore, providing adequate cushion for debt servicing. The average utilisation of working capital limits has remained in the range of 90-95%, given the elongated working capital cycle; however, access to working capital facilities and established operations provide support to the company’s operational and working capital requirements. Further, financial flexibility from the unsecured loans and established operational linkages within the MPL Group provides additional comfort.

At the combined group level, BWR expects 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: Sponge iron manufacturing involves significant energy consumption, emissions, and generation of industrial waste. The company's WHRB-based captive power generation supports utilisation of waste heat generated during operations and reduces dependence on external power sources. Compliance with applicable environmental norms, along with management of emissions and industrial waste, remains important.

Social: Social considerations primarily relate to occupational health and safety, employee welfare and adherence to applicable labour requirements, given the manufacturing-intensive nature of operations. Limited information is available on specific safety performance, employee training and workforce-related initiatives.

Governance: The company benefits from an experienced promoter group and common management across key MPL Group entities, supporting operational oversight and coordination. However, detailed disclosures on board independence, committee functioning, and formal risk-management practices remain limited.

COMPANY/FIRM PROFILE

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

MPL Steel Industries Private Limited (MSIPL), based in Nalgonda, Telangana, was incorporated in November 2018 and manufactures sponge iron. The company serves as a backward integration entity for the group, supplying sponge iron to Mahalakshmi Profiles Private Limited (MPPL) for manufacturing M.S. billets in its captive Steel Melting Shop. This arrangement reduces the group's dependence on external raw material sourcing. MSIPL operates a 4 MW Waste Heat Recovery Boiler (WHRB) for captive power generation and is adding a 4 MW alternate fuel-based boiler by April 2027.

About the Group:

MPL Steel Industries Private Limited (MSIPL) 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*	185.67	196.62	190.74
EBITDA	15.66	13.85	19.24
PAT	3.28	-0.99	4.13
Tangible Net Worth	26.59	36.55	41.24
Total Debt/Tangible Net Worth	3.66	2.97	2.36
Current Ratio	1.10	1.17	1.19

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.0.72cr in FY’24 (Aud); Rs.0.33cr in FY’25(Aud); and Rs.0.29cr 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	70.86	NA	NA	NA	NA	NA	NA	NA	NA
Non-Fund-Based	Short Term	20.00	NA	NA	NA	NA	NA	NA	NA	NA
Grand Total		90.86	**(Rupees Ninety Crores and Eighty-Six 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	20.00	-	20.00	Simple	RBI
2	Axis Bank	WCDL (Sublimit of Cash Credit)-Sanctioned	{18.00}	-	{18.00}	Simple	RBI
3	Axis Bank	Letter of Credit (Sublimit of Cash Credit)-Sanctioned	-	{15.00}	{15.00}	Simple	RBI
4	Axis Bank	Bank Guarantee (Sublimit of Cash Credit)-Sanctioned	-	{2.00}	{2.00}	Simple	RBI
5	Axis Bank	Letter of Credit-Sanctioned	-	10.00	10.00	Simple	RBI
6	Axis Bank	Bank Guarantee -Sanctioned	-	10.00	10.00	Simple	RBI
7	Axis Bank	Bank Guarantee (Sublimit of Letter of Credit)-Sanctioned	-	{10.00}	{10.00}	Simple	RBI
8	Kotak Mahindra Bank	Term Loan-Outstanding	10.96	-	10.96	Simple	RBI
9	Kotak Mahindra Bank	Cash Credit -Sanctioned	15.00	-	15.00	Simple	RBI
10	Kotak Mahindra Bank	WCDL (Sublimit of Cash Credit)-Sanctioned	{15.00}	-	{15.00}	Simple	RBI
11	HDFC Bank	Term Loan-Outstanding	14.90	-	14.90	Simple	RBI
12	HDFC Bank	Cash Credit -Sanctioned	10.00	-	10.00	Simple	RBI
13	HDFC Bank	WCDL (Sublimit of Cash Credit)-Sanctioned	{10.00}	-	{10.00}	Simple	RBI
Total			**70.86**	**20.00**	**90.86**		
Total (Rupees Ninety Crores and Eighty Six 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), Brick Work 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 regulatory regime prior to 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.

B.	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies	NA

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 an institutional investor in Brickwork.

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.

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