January 15, 2026

MSPL Limited: ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Fund-based - Term loans	1,523.0	2,026.0	[ICRA]A+ (Negative); reaffirmed and assigned for enhanced amount
Long term - Fund-based - Cash credit	300.0	300.0	[ICRA]A+ (Negative); reaffirmed
Short-term – Non-fund based	465.0	701.0	[ICRA]A1; reaffirmed and assigned for enhanced amount
Long-Term – Unallocated Limits	62.0	173.0	[ICRA]A+ (Negative); reaffirmed and assigned for enhanced amount
Total	**2,350.0**	**3,200.0**	

**Instrument details are provided in Annexure I*

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of MSPL Limited (MSPL) along with a Group company, Ramgad Minerals and Mining Limited (RMML; rated [ICRA]A+ (Negative)/[ICRA]A1), collectively referred to as the Group, owing to their common management and significant financial linkages.

The reaffirmation of the ratings along with the continuation of the negative outlook primarily reflects the time and cost overruns associated with the new pellet plant project which will lead to the Group's operating profits and cash flows in FY2026 being weaker than ICRA's earlier estimates. The revised scheduled commercial operation date for the project is now April 1, 2026 compared to the earlier timeline of April 1, 2025. Correspondingly, the project cost has increased to around Rs.2,496 crore compared to the initial estimates of around Rs.2,058 crore. The cost overrun is being funded through a mix of additional debt tie up and internal accruals. Nevertheless, ICRA expects the Group's earning profile and debt coverage indicators to improve meaningfully from FY2027 onwards, supported by the commissioning of the enhanced pellet capacity. The ratings continue to positively factor in the established track record of the Baldota Group, spanning over six decades in the iron ore mining industry and the diversity in the Group's revenue streams with operations spread across iron ore mining, pellet production, renewable energy sales and shipping businesses. The ratings continue to factor in stable cash flows generated from its merchant wind power generation plants (capacity of 127.8 MW in MSPL and 67.75 MW in RMML). ICRA notes that MSPL has secured five iron ore mines through auctions, having a cumulative peak rated capacity of around 2.1 mtpa. Such a factor partly mitigates the risks associated with timely raw material availability. However, the high revenue share/ premia and inferior quality of reserves of the acquired mines make them less attractive than the Group's earlier VIOM mine, which previously accounted for bulk of the Group's earnings. In addition, the Group's profitability is supported by value enrichment through forward integration into beneficiation/ pelletisation facilities and the gradually increasing share of renewable power (supporting its pellet operations), enhancing the cost competitiveness. The ratings also derive comfort from the Group's sizeable cash and liquid investment balance, resulting in a comfortable liquidity profile. ICRA has noted the improvement in the Group's pellet business in the current fiscal aided by operationalisation of one of its captive mines leading to lower cost of iron ore and subsequently improved pellet spreads. As a result, the Group's consolidated operating profits is expected to be higher by around 15-16% in FY2026.

ICRA in its earlier rating exercise had noted the Group's plans of a large-scale debt funded capital expenditure plan for setting up of a 1.2 million tonne per annum (mtpa) greenfield steel plant in Koppal District, Karnataka at a budgeted investment outlay of Rs. 7,829 crore. However, there has been no significant progress on the said capex so far after instructions from the local district administration to halt work, despite receiving statutory approvals. Given the uncertainty associated with the timelines and resumption of the project, ICRA, in its base estimates has not considered the said capex in its analysis. ICRA will continue to monitor the developments in this regard and take appropriate action once there is more clarity.

The ratings also factor in the highly regulated nature of the iron ore mining industry as well as the company's exposure to inherent cyclicality in iron ore and pellet prices, making its margins volatile. ICRA also takes cognisance of MSPL's sizeable contingent liabilities, primarily for disputed tax claims, which if crystallised, could adversely impact its liquidity profile. The ratings also remain constrained by the Group's exposure to cash flow timing mismatches for the shipping business, given the fixed debt service commitments and volatility in time charter rates.

ICRA had earlier noted the recent ruling of the Supreme Court of India which upheld the state governments' power to tax mineral rights and mineral-bearing lands under Entries 49 and 50 of List II in the Constitution's Seventh Schedule. On August 14, 2024, the Supreme Court ruled that states have the discretion to decide on the retrospective application of the tax. However, any tax demand will not impact transactions conducted before April 1, 2005. In case of retrospective tax demand, payments will be spread over 12 years, starting from April 1, 2026. Additionally, interest and penalties on demands for the period before July 25, 2024, will be waived for all assesses. The states are yet to come out with their decision on the imposition of such retrospective tax. ICRA will assess the impact of the Supreme Court ruling on the company, given that it is involved in mining operations, and will take appropriate action when further clarity emerges from the states on the taxation of mineral rights.

Key rating drivers and their description

Credit strengths

Established track record of Baldota Group in metals and mining industry – The Baldota Group is one of the largest private sector iron ore mining companies in Karnataka, having operated the VIOM mine (lease expired in November 2022) under MSPL, and the Iyli Gurunath iron ore mine under RMML, with mining lease validity until February 2026. ICRA takes comfort from the considerable experience of the promoters in the mining sector.

Captive mines partly mitigate raw material availability risks associated for pellet plant – MSPL emerged as a preferred bidder for four category-C captive mines in Karnataka, Karthikeya Mines (KM) and Lakshminarayan Mining Company (LMC), which were awarded in 2016, and H. G. Rangangouda (HGR) and Kahaiyalal Dudheria (KLD), awarded in 2019. These four mines have an approved mining capacity of around 2 mtpa. Additionally, the company obtained the rights for the Ashwathnarayana Singh (ANS) merchant mine in the 2019 auction. While one of the captive mines is already operational, two more captive mines are expected to be operational by the end of this fiscal year. These mines are expected to ensure the supply of raw materials for the pellet division.

Profitability supported by value enrichment through pelletisation facilities and a gradually increasing share of low-cost green power – Anticipating the expiry of the VIOM mining lease, and the aggressive bidding in winning iron ore mines through auctions, MSPL has been focussing on enriching the product mix through forward integration into beneficiation and pelletisation facilities. While MSPL's average Fe grade for the newly won iron ore mines has been ~55%, the Group's beneficiation plant allows it to enrich the Fe content to ~63%. This leads to sizeable cost savings over the market price of similar grade iron ore, enhancing the cost competitiveness of the pellet operations. Additionally, the Group has made arrangements for sourcing 30 MW of renewable energy capacity (18 MW of windmill in MSPL and 12 MW of solar plant in group captive), which would meet 80-90% of the energy requirement of the pellet plant, leading to significant power cost saving.

Merchant renewable energy business provides a steady stream of earnings – MSPL and RMML have sizeable wind energy generation capacities of 127.8 MW and 67.75 MW, respectively through wind assets in Maharashtra, Gujarat, Karnataka and Rajasthan. The energy generation from these assets is sold to the corresponding state discoms and provides steady earnings. That said, the plant load factors (PLFs) are influenced by variability in wind speed, seasonality in generation, and grid availability. In addition, the weak health of the state discoms exposes the company to counterparty risk associated with timely realisation of dues.

Healthy cash/bank/investment portfolio provides maintained leads to comfortable liquidity position; financial risk profile remains healthy – The Group's consolidated liquidity position is comfortable, supported by cash and liquid investments of around Rs. 1,797 crore[1] as of September end, 2025 comprising fixed deposits, cash, listed equity shares/debentures/GSecs, and mutual funds. In addition, the Group has additional unlisted/listed investments worth ~Rs. 2811 crore (as on September end, 2025). The financial risk profile of the group remains healthy as reflected by gearing of 0.3 times and Net Debt/OPBDITA of 0.4 times as on March 31, 2025.

Credit challenges

Exposure to operational and market risks associated with the upcoming pellet plant – The Group remains exposed to execution, ramp-up and market risks related to the under-implementation pellet plant project. The revised scheduled commercial operation date for the project is now April 1, 2026 compared to the earlier timeline of April 1, 2025. Correspondingly, the project cost has increased to around Rs.2,496 crore compared to the initial estimates of around Rs.2,058 crore. Nonetheless, almost 80% of the work has been completed till December 31, 2025 and is scheduled to start commercial operations from April 1, 2026. Post-commissioning, the Group's operating performance will remain exposed to the plant achieving targeted capacity utilisation and operating efficiencies as per stated parameters. Any delay in ramp up could weigh on near-term cash flows and profitability in FY2027. In addition, the Group will remain exposed to market risks linked to volatility in pellet prices and demand-supply dynamics, which could affect the pellet realisation.

Risks arising from operating in a highly regulated iron ore mining industry; margins exposed to volatile iron ore/pellet prices; Sizeable contingent liabilities in MSPL – The Group is vulnerable to fluctuations in domestic iron ore/pellet prices as it operates within the inherently cyclical steel sector. Additionally, the Group operates in a highly regulated iron ore mining industry, exposing it to regulatory risks. In FY2023, there have been multiple policy changes, which impacted the iron ore miners in Karnataka, including the lifting of the export ban by the Supreme Court, imposition and reversal of export duties, and discontinuation of auctions conducted by the Monitoring Committee. MSPL had contingent liabilities accumulating worth around Rs. 1,517 crore as on March 31, 2025. ICRA notes that a large part of the contingent liabilities (around Rs. 943 crore as on March 31, 2025) is towards disputed tax claims, which if crystallised, could adversely impact its financial risk profile.

Exposure to cash flow timing mismatch for the shipping business, given the fixed debt service commitments and volatility in time charter rates – The Group's shipping business remains exposed to the inherent cyclicality of the industry and volatility in charter rates. The shipping business will remain exposed to cash flow timing mismatch, despite the recent refinancing of the loan with an elongated maturity and low debt-service commitments in the initial years.

Liquidity position: Adequate

The Group's consolidated liquidity position is expected to remain adequate over the next 12-18 months, supported by sizeable, unencumbered cash and liquid investment balances and the anticipated healthy operating cash flows. Notwithstanding the ongoing capex for which the long-term funding is already in place, the Group's liquidity would continue to remain adequate going forward.

Rating sensitivities

Positive factors – The outlook could be revised to Stable if the Group is able to timely commission and stabilise the operations of the upcoming pellet plant leading to an improvement in earnings and debt protection metrics on a sustained basis.

Negative factors – The rating will come under pressure in case of a sustained period of subdued earnings of the Group leading to deterioration in profitability metrics. The rating could also witness downward pressure in case of any large debt funded capex impacting the liquidity position and debt protection metrics. Specific credit metrics that could lead to a downgrade include Debt service coverage ratio (DSCR) below 2 times on a sustained basis.

[1] Arrived at by applying appropriate haircuts on the gross unencumbered liquidity

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Mining Rating Methodology for Power - Wind Rating Methodology for Shipping Rating Methodology for Iron & Steel
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MSPL Limited along with its subsidiaries/step-down subsidiaries and a Group company, RMML. As on March 31, 2025, the company had four subsidiaries/step-down subsidiaries that are enlisted in Annexure-2.

About the company

MSPL Limited

MSPL Limited is the flagship company of the Karnataka-based Baldota Group. It was promoted by Late A. H. Baldota in 1962. At present, the company is managed by Mr. Narendrakumar Baldota and his two sons. The Group has a presence in diverse businesses such as iron and steel, renewable energy, shipping and logistics, and industrial gases. MSPL operated one of the largest private sector mines in Bellary district, Karnataka, the Vyasanakere Iron Ore Mine (VIOM; lease expired in November 2022). It also has an iron pellet manufacturing capacity of 1.2 mtpa (being currently increased to around 4 mtpa) and an installed wind power generation capacity of 127.8 MW with wind assets in Maharashtra, Gujarat and Karnataka.

Ramgad Minerals and Mining Limited

Ramgad Minerals and Mining Limited was set up as a partnership concern in 1979, which was reconstituted as a public limited company in 2009. RMML held a mining lease for three iron ore mines in Bellary district, of which only one (0.89 mtpa Iyli Gurunath iron ore mine) is operational at present. RMML also owns wind assets across Gujarat, Karnataka, Rajasthan and Maharashtra, with a total installed capacity of 67.75 MW.

MSPL Maritime Pte Limited

MSPL Maritime Pte Limited (MMPL) is a wholly owned subsidiary of MSPL and functions purely as a holding company for its subsidiary, MSPL Diamonds Pte Limited (MDPL), which owns and operates three post-Panamax vessels of 92,500 deadweight tonnage (DWT) for voyages carrying bulk cargoes primarily in the Pacific Ocean.

Baldota Steel & Power Limited

Baldota Steel & Power Limited (BSPL) was incorporated in March 2023 and is a wholly owned subsidiary of MSPL. The company is engaged wind power generation and also in the process of setting up a 1.2 mtpa integrated steel plant in Koppal District, Karnataka.

P. Venganna Setty and Bros

P. Venganna Setty and Bros (PVS) is a partnership firm set up in 1952 by its promoters, Mr. P. G. Nagbhushan and family. MSPL Limited acquired a 90% stake in the concern in 1980, while the remaining 10% was retained by the erstwhile promoters. PVS holds a mining lease for the Pathikonda Iron Ore Mine (PIOM), a ‘Category-B’ open-cast mine in the Bellary district of Karnataka. The mining lease for PIOM expired in March 2020. The firm also owns wind assets totalling 14.8 MW in Karnataka and Gujarat.

Key financial indicators (MSPL Consolidated + RMML)

Consolidated financials*	FY2024 (Audited)	FY2025 (Audited)
Operating income (Rs. crore)	2,071.64	1,863.38
PAT (Rs. crore)	755.11	968.76
OPBDIT/OI (%)	29.45%	16.07%
PAT/OI (%)	36.45%	51.99%
Total outside liabilities/Tangible net worth (times)	0.3	0.4
Total debt/OPBDITA (times)	1.9	5.9
Interest coverage (times)	8.3	3.7

*PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Consolidated by ICRA using MSPL consolidated and RMML standalone financials*

Key financial indicators (MSPL Consolidated)

Standalone financials	FY2024 (Audited)	FY2025 (Audited)
Operating income (Rs. crore)	1,613.1	1,478.4
PAT (Rs. crore)	616.7	849.7
OPBDIT/OI (%)	27.4%	9.0%
PAT/OI (%)	38.2%	57.5%
Total outside liabilities/Tangible net worth (times)	0.3	0.4
Total debt/OPBDITA (times)	2.4	13.4
Interest coverage (times)	7.0	1.8

Source: Company; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2025)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount Rated (Rs Crore)**	**Jan 15, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Term loan-fund based	Long Term	2,026.00	[ICRA]A+ (Negative)	Apr 05, 2024	[ICRA]A+ (Stable)	Oct 20, 2023	[ICRA]A+ (Stable)	Feb 23, 2023	[ICRA]A+ (Stable)
				Aug 26, 2024	[ICRA]A+ (Stable)	-	-	-	-
				Jan 31, 2025	[ICRA]A+ (Negative)	-	-	-	-
Unallocated limits	Long Term	173.00	[ICRA]A+ (Negative)	Apr 05, 2024	[ICRA]A+ (Stable)	Oct 20, 2023	[ICRA]A+ (Stable)	Feb 23, 2023	[ICRA]A+ (Stable)
				Aug 26, 2024	[ICRA]A+ (Stable)	-	-	-	-
				Jan 31, 2025	[ICRA]A+ (Negative)	-	-	-	-
Cash Credit-fund based	Long Term	300.00	[ICRA]A+ (Negative)	Apr 05, 2024	[ICRA]A+ (Stable)	Oct 20, 2023	[ICRA]A+ (Stable)	Feb 23, 2023	[ICRA]A+ (Stable)
				Aug 26, 2024	[ICRA]A+ (Stable)	-	-	-	-
				Jan 31, 2025	[ICRA]A+ (Negative)	-	-	-	-
Non fund based – Others	Short Term	701.00	[ICRA]A1	Apr 05, 2024	[ICRA]A1+	Oct 20, 2023	[ICRA]A1+	Feb 23, 2023	[ICRA]A1+
				Aug 26, 2024	[ICRA]A1+	-	-	-	-
				Jan 31, 2025	[ICRA]A1	-	-	-	-

Standby letter of credit	Long term-	-	-	-	-	-	-	Feb 23, 2023	[ICRA]A+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term Loans	Simple
Cash Credit	Simple
Non-fund based	Simple
Unallocated Limits	NA

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 ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	FY2013	-	FY2035	2026.00	[ICRA]A+ (Negative)
NA	Cash Credit	-	-	-	300.00	[ICRA]A+ (Negative)
NA	Non-fund based	-	-	-	701.00	[ICRA]A1
NA	Unallocated Limits	-	-	-	173.00	[ICRA]A+ (Negative)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Aaress Iron & Steel Limited	100.00%	Full Consolidation
MSPL Maritime Pte Limited	100.00%	Full Consolidation
MSPL Diamond Pte Limited	100.00% (step down subsidiary of MSPL Maritime Pte Limited)	Full Consolidation
P Venganna Setty & Bros	90.00%	Full Consolidation
Ramgad Minerals and Mining Limited	Group company	Full Consolidation
Baldota Steel & Power Limited	100.00%	Full Consolidation
Radiance Sunrise One Private Limited	26.00%	Equity Method
Radiance Sunrise Five Private Limited	26.00%	Equity Method

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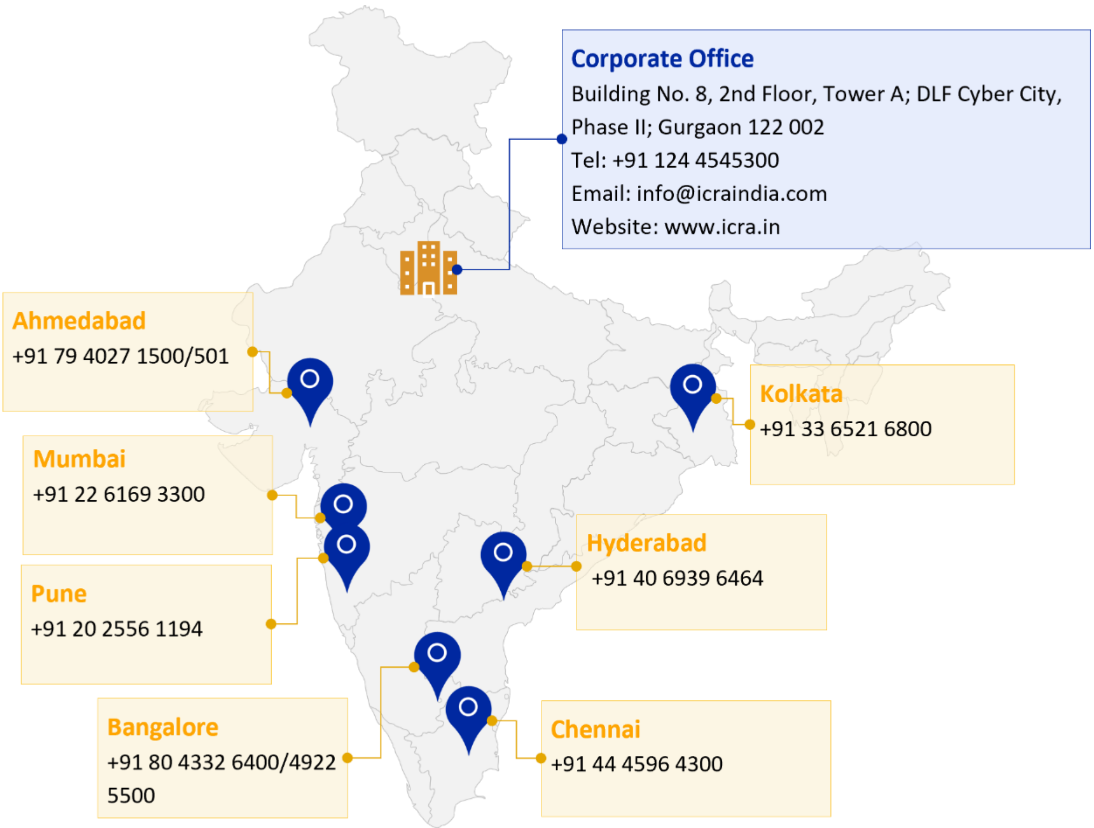

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