

February 26, 2026

Minex Melt Treatment Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based limits – Cash credit	35.00	35.00	[ICRA]BBB+ (Stable); reaffirmed
Long term/Short term – Fund based/Non-fund based - Interchangeable limits	(35.00)	(35.00)	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Long term/Short term - Unallocated limits	10.00	-	-
Total	45.00	35.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation continues to factor in Minex Melt Treatment Private Limited's (MMTPL) association with the Minex Group, which comprises MMTPL, Minex Metallurgical Company Limited (MMCL) and Minex Mincast LLP (MMPL, erstwhile Minex Mincast Private Limited). The Group has an established track record in the metals and manufacturing sectors, and the management possesses extensive industry experience, which supports operational performance across the entities. The three entities also have a mirror shareholding structure, indicating common promoter and managerial oversight. ICRA expects the Minex Group to extend need-based financial support to MMTPL, if required, out of its need to protect its reputation from a group entity's distress.

The rating also factors in MMTPL's cost efficient operations, which support stable profits across business cycles. The company's financial risk profile is healthy, aided by minimal debt and steady operating profits, reflected in a total debt/OPBDITA of 0.2 times in FY2025. Additionally, its customer base comprises reputed steel producers such as JSW Steel Limited and Jindal Steel & Power Limited, whose strong credit profiles support revenue visibility and mitigate the counterparty risk to an extent.

The ratings, however, remain constrained by MMTPL's sizeable dependence on imported raw materials. Raw material cost accounts for ~80% of its operating income, exposing it to price volatility and thereby impacting the margins. Moreover, its business remains working capital-intensive, with an elevated NWC/OI ratio of 37% in FY2025 due to the long inventory holding, making efficient working capital management a key driver determining the business performance.

Further, the revenue remains concentrated in the cored wire and cored wire feeder segments and the scale of operations continues to be moderate with an operating income of Rs. 239.6 crore in FY2025. The company's limited product diversification heightens its vulnerability to demand fluctuations and downturns in the steel industry. Additionally, the risk of technological obsolescence could affect its competitive positioning and long-term growth prospects.

The Stable outlook on the rating reflects ICRA's expectation that MMTPL is likely to sustain its operating metrics and maintain healthy debt protection metrics.

Key rating drivers and their description

Credit strengths

Operational and managerial linkages with Minex Group - MMTPL, along MMCL and MMLLP, collectively forms part of the Minex Group. The Group has an established track record in the metals and manufacturing sectors, and the management possesses extensive industry experience, which supports operational performance across the entities. The three entities also have a mirror shareholding structure, indicating common promoter and managerial oversight.

Healthy financial risk profile – The company's financial risk profile is healthy, aided by minimal debt and steady operating profits, reflected in a total debt/OPBDITA of 0.2 times in FY2025. Going forward, the financial risk profile is expected to remain

healthy, supported by stable operating profit and the absence of any debt-funded capex over the medium term.

Cost-efficient operations underpin stable profit across cycles; strong customer profile supports revenue visibility but scale remains moderate – MMTPL has consistently reported net profits over FY2020 to H1 FY2026, demonstrating cost-efficient operations and resilience through industry cycles. Additionally, its customer portfolio comprises reputed steel manufacturers such as JSW Steel Limited {rated [ICRA]AA; on rating watch with positive implications; A1+} and Jindal Steel & Power Limited {rated [ICRA]AA (Stable)/A1+}, whose strong credit profiles provide healthy revenue visibility and reduce the counterparty risk.

Credit challenges

Sizeable dependence on imported raw materials, exposing company to margin volatility and elevated working capital requirement - MMTPL's operations are highly raw material intensive, with raw material costs accounting for 80% of its operating income. Moreover, the sizeable dependence on imports exposes it to price volatility. The company's working capital intensity also remains high, with an NWC/OI ratio of 37% in FY2025 owing to the long inventory holding periods. Hence, an efficient working capital management is a key driver of its performance.

Limited product diversification, exposing company to profitability risks and technological obsolescence - MMTPL's revenue concentration in the cored wire and cored wire feeder segments makes its earnings vulnerable to downturns in the steel sector. Additionally, the company faces the risk of technological obsolescence, which could impact its competitive positioning and long-term growth prospects. Given the limited product diversification and the small scale of operations, the company's earnings are vulnerable to swings in demand and supply within its concentrated product portfolio.

Liquidity position: Adequate

The company's liquidity position remains adequate, supported by low average working capital utilisation of ~4%, against sanctioned fund-based limits of Rs. 35 crore, for the 12-month period ended October 2025. Moreover, the absence of any major capex plans or repayment obligations in the medium term further supports its free cash flows. Further, the Minex Group (comprising MMCL, MMTPL, and MMPL) is expected to provide need-based financial support to MMTPL to protect its reputation.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a significant increase in earnings, leading to a strengthening of the net worth while maintaining the healthy credit metrics. Additionally, the diversification of its products or service offerings, creating alternative avenues for earnings growth, could also support an upgrade. The rating could also be revised upwards if the credit profile of the Minex Group improves.

Negative factors – The ratings would come under pressure if the company faces a prolonged period of weak earnings, adversely impacting the credit metrics and liquidity profile. The ratings could also come under pressure if the linkages between MMTPL and the Minex Group weaken, or if the overall credit profile of the Minex Group deteriorates.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Group: The Minex Group consists of three entities – Minex Metallurgical Company Limited (MMCL), Minex Melt Treatment Private Limited (MMTPL), Minex Mincast LLP (MMLLP). ICRA expects the Minex Group to be willing to extend financial support to MMTPL, should there be a need, out of its need to protect its reputation. All the three entities within the Minex Group have mirror shareholding, which in ICRA's opinion, would further persuade the Group to provide support
Consolidation/standalone	Standalone

About the company

MMTPL was incorporated as a private limited company in 2024. This company was formed as a resultant entity after the demerger of MMCL. After the demerger effective April 1, 2024 (record date: January 11, 2025), the erstwhile operations of MMCL were demerged into three separate entities — MMCL, MMTPL and Minex Mincast Private Limited. Under the demerged structure, MMTPL was engaged in the manufacturing of metallurgical cored wire and cored wire feeders with its manufacturing facility at Kalmeshwar, Nagpur, for cored wires with a capacity of 24,000 MTPA, and Vasai, Mumbai, for cored wire feeder with a capacity of 35 numbers per annum.

MMCL continues to house the aluminium, ferrous and non-ferrous alloy businesses. The company is engaged in the manufacturing of aluminium master alloys, wire rods, ferro alloys and ferro aluminium, primarily catering to the aluminium industry. Its manufacturing facility is at Nimji, Nagpur, Maharashtra, with an installed capacity of 20,400 MTPA. Further, Minex Mincast Private Limited has since been converted into MMLLP with effect from February 26, 2025.

Key financial indicators (audited)

Particulars	Consolidated	Standalone	
	FY2024	FY2025	H1FY2026 [^]
Operating income	370.3	239.6	124.8
PAT	35.6	17.8	9.5
OPBDIT/OI	7.2%	10.3%	9.8%
PAT/OI	9.6%	7.4%	7.6%
Total outside liabilities/Tangible net worth (times)	0.2	0.2	0.2
Total debt/OPBDIT (times)	0.9	0.2	0.0
Interest coverage (times)	28.4	20.7	129.7

Source: Company, ICRA Research; [^] Provisional standalone numbers of MMTPL; All ratios as per ICRA's calculations; Amount in Rs. crore; 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: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	February 26, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Unallocated limits	Long-term/Short-term	0.00	-	March 31, 2025	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-	-	-
Interchangeable limits	Long-term/Short-term	(35.00)	[ICRA]BBB+(Stable) /[ICRA]A2; Reaffirmed	March 31, 2025	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-	-	-
Fund-based - Cash credit	Long-term	35.00	[ICRA]BBB+(Stable); Reaffirmed	March 31, 2025	[ICRA]BBB+ (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based limits – Cash credit	Simple
Long term/Short term – Fund based/Non-fund based - Interchangeable limits	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 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	Long term – Fund based limits – Cash credit	NA	NA	NA	35.00	[ICRA]BBB+ (Stable)
NA	Long term/Short term – Fund based/Non-fund based - Interchangeable limits	NA	NA	NA	(35.00)	[ICRA]BBB+ (Stable)/ [ICRA]A2

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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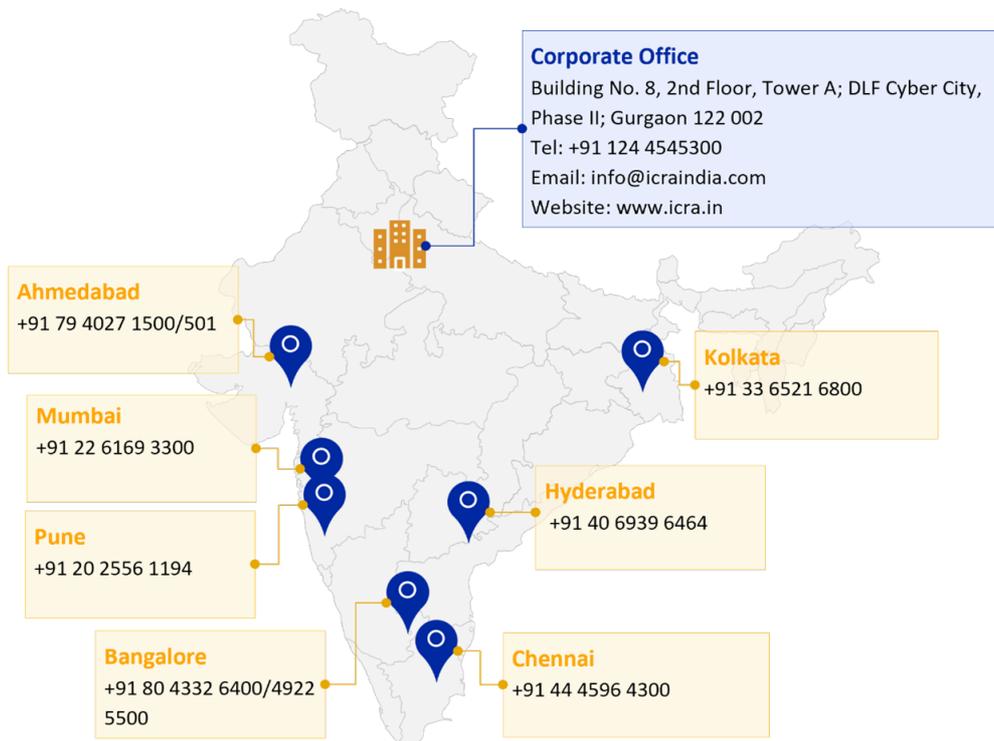


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