

February 26, 2026

Minex Metallurgical Company Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term – Fund based limits – Cash credit	70.00	25.00	[ICRA]A3+; reaffirmed
Short term – Interchangeable	(70.00)	(25.00)	[ICRA]A3+; reaffirmed
Total	70.00	25.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation continues to factor in Minex Metallurgical Company Limited's (MMCL) association with the Minex Group, which comprises MMCL, Minex Melt Treatment Private Limited (MMTPL) 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 MMCL, if required, out of its need to protect its reputation from a group entity's distress.

The rating also factors in MMCL's low financial leverage, characterised by minimal reliance on debt, which supports its credit metrics. This is reflected in TOL/TNW of 0.1 times as on September 30, 2025.

The rating, however, remains constrained by MMCL's small scale of operations, with an operating income of Rs. 147.6 crore in FY2025, a single alloy division at Nimji, Maharashtra, and a modest capacity utilisation of 20-30 per cent. The company's limited scale restricts its ability to absorb earnings volatility and renders it less resilient during periods of sustained industry downturns.

Additionally, intense competition in the metallurgical alloy sector exposes the company to margin pressure, constraining its ability to maintain profitability in an adverse market scenario. Further, MMCL's operations remain working-capital intensive, with a high NWC/OI ratio of 42 per cent in FY2025 owing to an elongated inventory cycle.

A further stretch in the working capital that puts pressure on the liquidity will remain a key monitorable.

Key rating drivers and their description

Credit strengths

Operational and managerial linkages with Minex Group – MMCL, along MMTPL 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.

Low financial leverage and absence of long-term borrowing support credit metric – MMCL's low financial leverage is characterised by minimal reliance on debt which supports its credit metrics. This is reflected in TOL/TNW of 0.1 times as on September 30, 2025.

Credit challenges

Small scale of operations, making it vulnerable in a period of sustained industry downturns - MMCL operates a single aluminium, ferrous and non-ferrous alloy division at Nimji, Maharashtra, producing aluminium master alloys, wire rods, ferro alloys and ferro aluminium. The capacity utilisation in the aluminium alloy segment has been improving since FY2020, although

it continues to be modest at 20-30 per cent. The revenue is concentrated in a single division and at a small scale, with an operating income of Rs. 147.6 crore in FY2025. The company's limited scale restricts its ability to absorb earnings volatility and renders it less resilient during periods of sustained industry downturns.

Highly competitive metallurgical alloy sector - MMCL faces intense competition in the metallurgical alloy sector, limiting its pricing power and putting pressure on the operating profit margins (OPM). MMCL reported a low operating margin of ~4.2% in FY2025 and 2.7% in H1 FY2026, which reflects high competitive pressure.

Working capital-intensive operations - MMCL's operations are working capital-intensive, with a high net working capital to operating income (NWC/OI) ratio of 42% in FY2025 because of a long inventory holding period. Any further strain on the working capital, impacting the liquidity, will be a key rating monitorable.

Liquidity position: Adequate

The company's liquidity position remains adequate, supported by low average working capital utilisation of ~8%, against sanctioned fund-based limits of Rs. 25 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 MMCL to protect its reputation.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a significant increase in earnings. The rating could also be revised upwards if the credit profile of the Minex Group improves.

Negative factors – Pressure on MMCL's rating may arise if there is any significant deterioration in earnings, adversely impacting the credit metrics and liquidity profile. The rating could also come under pressure if the linkages between the company 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 MMCL, 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

MMCL was incorporated as a private limited company in 1981 and commenced commercial operations in 1985. The company is promoted by Mr. Sukhendu Bikas Misra. After a 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, 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.

The cored wire division, which was the flagship business of the Minex Group, has been transferred to MMTPL pursuant to the demerger. Further, Minex Mincast Private Limited has since been converted into MMLLP with effect from February 26, 2025.

Key financial indicators (audited)

Particulars	Consolidated	Standalone
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	FY2024	FY2025	H1 FY2026 [^]
Operating income	370.3	147.6	79.7
PAT	35.6	3.2	1.8
OPBDIT/OI	7.2%	4.2%	2.7%
PAT/OI	9.6%	2.2%	2.2%
Total outside liabilities/Tangible net worth (times)	0.2	0.1	0.1
Total debt/OPBDIT (times)	0.9	0.0	0.0
Interest coverage (times)	28.4	13.6	86.9

Source: Company, ICRA Research; [^] Provisional standalone numbers of MMCL; 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 (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
Fund based – Cash credit	Long term	-	-	-	-	-	-	-	-
Interchangeable	Long term	-	-	-	-	-	-	-	-
Fund based limits- Cash credit	Short term	25.00	[ICRA]A3+	Jan 28, 2025	[ICRA]A3+				
				Jul 17, 2024	[ICRA]A1; rating watch with negative implications	Nov 17, 2023	[ICRA]A1	Dec 01, 2022	[ICRA]A1
Interchangeable	Short term	(25.00)	[ICRA]A3+	Jan 28, 2025	[ICRA]A3+				
				Jul 17, 2024	[ICRA]A1; rating watch with negative implications	Nov 17, 2023	[ICRA]A1	Dec 01, 2022	[ICRA]A1
Fund based/Non-fund based	Short term	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Short term – Fund-based limits- Cash credit	Simple
Short term – Interchangeable	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	Short term – Fund-based limits- Cash credit	-	-	-	25.00	[ICRA]A3+
NA	Short term – Interchangeable	-	-	-	(25.00)	[ICRA]A3+

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

ANALYST CONTACTS

Girishkumar Kashiram Kadam

+91 22 6114 3406

girishkumar@icraindia.com

Sankalpa Mohapatra

+91 40 6939 6409

sankalpa.mohapatra@icraindia.com

Ankit Jain

+91 124 4545 865

ankit.jain@icraindia.com

Ruchi Hota

+91 70771 02900

ruchi.hota@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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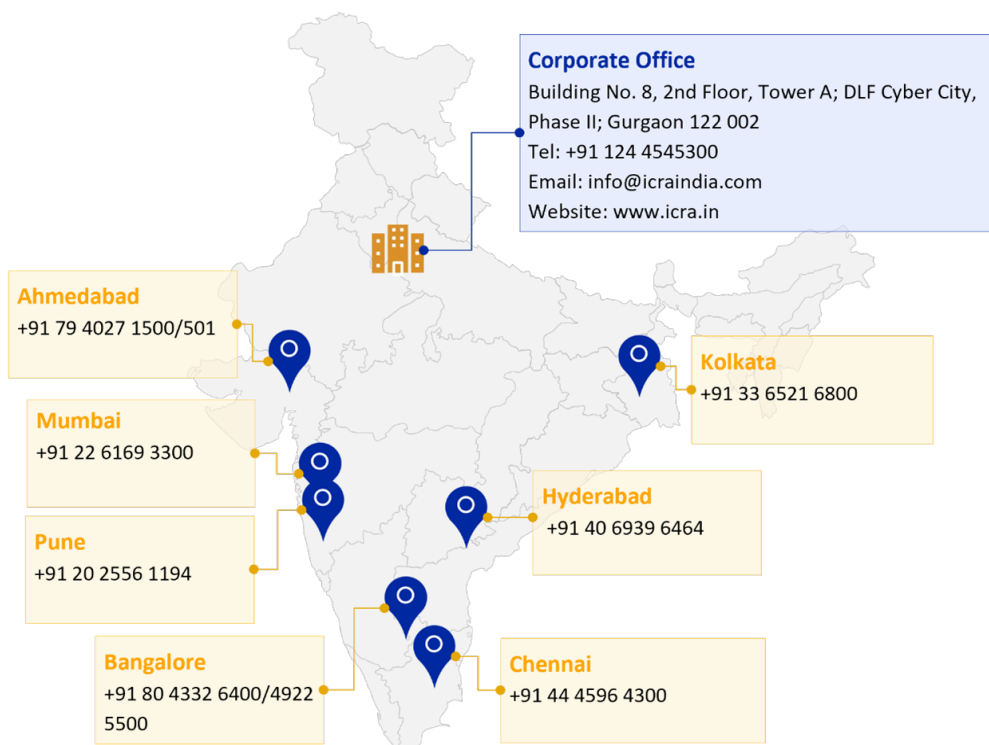


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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