



Press Release

MDA Mineral Dhanu (AP) Private Limited

January 25, 2023

Ratings

| Facilities | Amount (Rs. crore) | Ratings | Rating Action | Complexity Indicator |
|---|---|---|--|--|
| Long Term Bank Facilities – Cash Credit | 7.50 | IVR B+; Negative ISSUER NOT COOPERATING* (IVR Single B Plus; Negative Outlook ISSUER NOT COOPERATING) | Revised and continued under ISSUER NOT COOPERATING category | Simple |
| Total | 7.50 (Rs. Seven Crore and Fifty lacs Only) | | | |

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of MDA Mineral Dhanu (AP) Private Limited reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide email communications dated November 7, 2022, November 9, 2022, November 17, 2022, November 25, 2022 and December 19, 2022 and concurrently over several phone calls. However, despite the repeated requests by



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Infomerics, the company's management has not submitted the requested information for monitoring the rating.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the rating for the bank facilities of MDA Mineral Dhatu (AP) Private Limited aggregating Rs.7.50 crore has been continue to remain under the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-financial Sector\)](#)

[Criteria for assigning outlook](#)

About the Company

Incorporated in 2010, MDA Mineral Dhatu (AP) Pvt Ltd was promoted by Mr. Vijay Mittal and Mr. Vidhan Mittal (son of Mr. Vijay Mittal). The company started its commercial operations from August 2013 and is engaged in manufacturing of High carbon ferro manganese, ferro-silicon and silicon manganese with its 6MVA (5MW) ferro-alloy submerged electric arc furnace located at Bobbili of Vizianagaram district, Andhra Pradesh.

Financials (Standalone):

(Rs. crore)

| For the year ended* | 31-03-2017 (Audited) | 31-03-2018 (Audited) |
|---------------------------|-------------------------|-------------------------|
| Total Operating Income | 40.64 | 58.07 |
| EBITDA | 5.21 | 5.02 |
| PAT | 1.66 | 1.76 |
| Total Debt | 5.13 | 4.01 |
| Tangible Net worth | -0.21 | 2.42 |
| EBITDA Margin(%) | 12.81 | 8.64 |
| PAT Margin(%) | 4.05 | 3.07 |
| Overall Gearing Ratio (x) | NM | 1.65 |

*Classification as per Infomerics' standards



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Status of non-cooperation with previous CRA: ICRA and India Ratings and Research Pvt Ltd continue to classify it as non-cooperative vide release dated August 10, 2022, and June 3, 2022, respectively.

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Instrument/Facilities | Current Ratings (Year 2022-23) | | | Rating History for the past 3 years | | |
|---------|-------------------------------|--------------------------------|--------------------------------|--|--|--|--|
| | | Type | Amount outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2021-22 (November 2, 2021) | Date(s) & Rating(s) assigned in 2020-21 (September 01, 2020) | Date(s) & Rating(s) assigned in 2019-20 (June 6, 2019) |
| 1. | Long Term Bank Facilities | Long Term | 7.50 | IVR B+;Negative ISSUER NOT COOPERATING | IVR BB- (ISSUER NOT COOPERATING) | IVR BB (ISSUER NOT COOPERATING) | IVR BB+ (Assigned) |

**Issuer did not cooperate; based on best available information*

Name and Contact Details of the Rating Analyst:

| | |
|---|---|
| Name: Mr. Parth Mehta Tel: (079) 40393043 Email: parth.mehta@infomerics.com | Name: Mr. Amit Bhuwaria Tel: (022) 62396023 Email: amit.bhuwaria@infomerics.com |
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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).



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Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. crore) | Rating Assigned/ Outlook |
|----------------------|------------------|------------------|---------------|------------------------------|--|
| Long Term Facilities | - | - | - | 7.50 | IVR B+; Negative ISSUER NOT COOPERATING* |

**Issuer did not cooperate; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.