



Press Release

Mohit Ispat Private Limited (MIPL)

March 03, 2025

Ratings

Sl. No.	Instruments/Facilities	Amount (INR Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Facilities	15.00	IVR BBB/Stable [Withdrawn] (IVR Triple B with Stable Outlook) [Withdrawn]	IVR BB/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Rating Upgraded, Outlook revised, removed from ISSUER NOT COOPERATING category and simultaneously Withdrawn	Simple
2.	Short Term Facilities	51.81	IVR A3+ [Withdrawn] (IVR A Three Plus) [Withdrawn]	IVR A4/ ISSUER NOT COOPERATING* (IVR A Four ISSUER NOT COOPERATING*)	Rating Upgraded, removed from ISSUER NOT COOPERATING category and simultaneously Withdrawn	Simple
3.	Long Term Facilities	0.00 (Reduced from 7.64)	--	IVR BB/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Withdrawn#	Simple
Total		66.81 (Sixty-Six Crore and Eighty-One Lakhs)				

#The facilities have been paid in full. Also, NOC is available for all facilities

*ISSUER NOT COOPERATING, based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.



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Detailed Rationale

The rating was migrated to ISSUER NOT COOPERATING category as the company had not submitted all the required information for surveillance under the stipulated timelines. Subsequently, Mohit Ispat Private Limited (MIPL) has cooperated and provided the information leading to removal of the rating from ISSUER NOT COOPERATING category.

Infomerics Valuation and Rating Limited has upgraded the ratings of MIPL to “IVR BBB/Stable, A3+ (IVR Triple B with Stable Outlook, A Three Plus) and simultaneously withdraws the ratings of “IVR BBB/Stable, A3+ (IVR Triple B with Stable Outlook , A Three Plus)” assigned to the bank facilities of Mohit Ispat Private Limited (MIPL) with immediate effect.

The withdrawal of the rating assigned to MIPL takes into account the No Objection Certificate provided by the bank and the company’s request for withdrawal of ratings. The rating withdrawn is in line with Infomerics’ policy on withdrawal of rating.

The upgradation of the ratings assigned to the bank facilities of MIPL factors in the improvement in financial and operating performance of the company.

Furthermore, the aforesaid rating continues to derive strength from the experienced management & established track record of operations, increasing revenue trend, comfortable capital structure and debt protection metrics and efficient working capital management along with proximity to raw material sources. The ratings, however, are constrained by susceptibility of operating margin to volatility in raw material prices and finished goods, exposure to cyclical nature in steel industry and highly competitive & fragmented nature of industry.

Stable outlook indicates company is expected to get benefits of established track record and efficient working capital management.



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Key Rating Sensitivities:

Upward Factors

- Substantial & sustained improvement in revenue and/or profitability leading to improvement in debt protection metrics.

Downward Factors

- Any decline in revenue and/or profitability leading to deterioration in debt protection metrics or
- Deterioration in liquidity profile of the company

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced management & established track record of operations

The promoter of the company Mr. Harsh Vardhan Mittal had founded the company in 1997 and possess an experience of over four decades in the steel industry. The extensive experience of current promoters and directors has helped the company to maintain strong relations with its customers as well as with its suppliers. Further, having decades of operational track record has helped the company to establish strong market position along with the demand for its products which the company sells under “Kamdhenu” brand.

Increasing revenue trend

The total operating income of the company has witnessed an upward trend for the last few years marked by Rs 678.37 Cr in FY24 [Refers to period April 1st, 2023, to March 31st, 2024] (FY23: 655.34 Cr, FY22: 535.13 Cr, FY21: 412.45 Cr) on account of increasing capacity utilisation and higher volume of sales of the Steel products. Till 31st Jan 2025, company has achieved revenue of ~Rs 577 Cr. Infomerics' expects the company to surpass the revenue achieved in FY 24 by Mar'25.

Comfortable capital structure and debt protection metrics

Capital structure of the company remains comfortable marked by low gearing ratio and TOL/TNW of 0.34x and 1.24x respectively as on March 31, 2024 as against 0.68x and 1.77x respectively as on March 31, 2023. The interest coverage ratio and DSCR also remain



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comfortable at 5.89x and 2.95x respectively as on March 31, 2024. The overall capital structure is expected to remain comfortable over the medium term in the absence of any large debt funded capex along with moderate TNW on account of continuous accretion to the reserves.

Efficient working capital management along with proximity to raw material sources

The working capital management of MIPL is efficient marked by operating cycle of 19 days in FY24 (18 days in FY23). The average collection period stood comfortable at 20 days in FY24. The company maintains an inventory day of ~24 days, as raw materials is purchased from the local suppliers which are located in proximity to the rolling mill. MIPL's manufacturing unit is located in Goa which is close to Karnataka, and it is a major hub for sponge iron providing the company an edge to procure key raw materials at economical cost and allows the company to build a long-term relationship with its suppliers.

Key Rating Constraints

Susceptibility of operating margin to volatility in raw material prices and finished goods

Since the raw material is the major cost driver and with raw material prices being volatile in nature, the profit margins of the company remain susceptible to fluctuation in raw material prices (though the prices of finished goods move in tandem with raw material prices, there is a time lag). Further, finished steel prices are also highly volatile and prone to fluctuations based on demand supply situation and other macro-economic factors. Profitability margins of MIPL remained volatile marked by EBITDA margin of 3.50% in FY24 (FY23: 4.04%, FY22: 4.05%) and PAT margin of 1.67% in FY24 (FY23: 2.13%, FY22: 1.94%).

Exposure to cyclical nature in steel industry

The steel industry is known for being cyclical and reflective of overall market conditions, demand increases during economic booms and plummets during global recessions and witnessed prolonged periods where it faced a downturn due to excess capacity leading to a downtrend in the prices. The company's operations are vulnerable to any adverse change in demand-supply dynamics

Highly competitive & fragmented nature of industry



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MIPL operates in highly competitive steel industry, where in number of organised and unorganised players are there. This competitive market may hamper the realisation and profitability of the company.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

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

[Policy on Withdrawal of Ratings.](#)

Liquidity: Adequate

Liquidity position of the company is adequate with comfortable gross cash accrual as against minimal repayment obligation. The average working capital utilisation remained moderate at ~70% during the last 12 months ended Dec 2024. The current ratio is comfortable at 1.36x in FY24. The working capital management of MIPL is efficient marked by operating cycle of 19 days with collection period of 20 days in FY24.

About the Company

Mohit Ispat Private Limited (MIPL) is a Goa based company, Incorporated in 1997 and being promoted by Mr. Harsh Vardhan Mittal. The company is engaged in the business of manufacturing TMT steel bars & billets which are used in construction of Dams, Flyover, Buildings etc. MIPL sells its TMT bars under “Kamdhenu” brand. The company has manufacturing unit in Goa with installed capacity of 1,20,000 MTPA.



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Financials (Standalone):

Rs. Crores

For the year ended* / As on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	655.34	678.37
EBITDA	26.49	23.77
PAT	14.03	11.37
Total Debt	38.65	23.32
Tangible Net worth	57.11	68.48
EBIDTA Margin (%)	4.04	3.50
PAT Margin (%)	2.13	1.67
Overall Gearing Ratio (X)	0.68	0.34
Interest Coverage (X)	6.72	5.89

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA:

Care Ratings and ICRA Ratings have continued to classify the rating of Mohit Ispat Pvt Ltd into the Issuer Non-Cooperating category as per Press Release dated 3rd Oct 2024 and 26th Sept 2024 respectively on account of lack of information and non-cooperation by the client.

Any other information: Nil

Rating History for last 3 years:

S r. N o.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding/ Proposed (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (December 05, 2023)	Date (October 28, 2022)	Date (July 30, 2021)
1.	Term Loan	Long Term	-	Withdrawn	IVR BB/ Negative, ISSUER NOT COOPERATING	IVR BB+ ISSUER NOT COOPERATING	IVR BBB-/ Stable



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S r. N o.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding/ Proposed (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (December 05, 2023)	Date (October 28, 2022)	Date (July 30, 2021)
2.	Cash Credit	Long Term	15.00	IVR BBB/Stable [Withdrawn]	IVR BB/ Negative, ISSUER NOT COOPERATING	IVR BB+ ISSUER NOT COOPERATING	IVR BBB-/ Stable
3.	Bank Guarantee	Short Term	12.00	IVR A3+ [Withdrawn]	IVR A4/ ISSUER NOT COOPERATING	IVR A4+ ISSUER NOT COOPERATING	IVR A3
4.	Letter of Credit	Short Term	31.00	IVR A3+ [Withdrawn]	IVR A4/ ISSUER NOT COOPERATING	IVR A4+ ISSUER NOT COOPERATING	IVR A3
5.	Letter of Credit (Proposed)	Short Term	8.81	IVR A3+ [Withdrawn]	IVR A4/ ISSUER NOT COOPERATING	IVR A4+ ISSUER NOT COOPERATING	IVR A3

Analytical Contacts:

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Facility Details:

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Term loan	-	-	-	-	0.00	Withdrawn
Cash Credit	-	-	-	-	15.00	IVR BBB/Stable [Withdrawn]
Bank Guarantee	-	-	-	-	12.00	IVR A3+ [Withdrawn]
Letter of Credit	-	-	-	-	31.00	IVR A3+ [Withdrawn]
Letter of Credit (Proposed)	-	-	-	-	8.81	IVR A3+ [Withdrawn]

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-Mohit-Ispat-mar25.pdf>



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Annexure 3: Detailed explanation of covenants of the rated facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable

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

