



Press Release

MDA Mineral Dhatu (AP) Private Limited November 2, 2021

Ratings

Sl. No.	Facilities	Amount (Rs. Crore)	Ratings	Rating Action
1	Long Term Bank Facilities – Cash Credit	7.50	IVR BB-, Issuer Not Cooperating* (IVR Double B Minus under Issuer Not Cooperating*)	Rating revised from IVR BB, Issuer Not Cooperating* (IVR Double B under Issuer Not Cooperating*)
	Total	7.50		

*Issuer did not cooperate; based on best available information

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding MDA Mineral Dhatu (AP) Private Limited's performance and hence 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 the policy.

The lender, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company, despite the rating revision.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data including FY2019, FY2020 & FY2021, results to monitor its assigned rating to the bank facilities, vide E-mail communications dated October 1, 2021, October 4, 2021, and October 29, 2021 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has revised the rating based on the best available information. Accordingly, the long- term ratings for the bank loan facilities of MDA Mineral Dhatu (AP) Private Limited aggregating to Rs. 7.50 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-; Issuer Not Co-operating; Based on best available information.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-financial Sector).

Guidelines on what constitutes Non-Cooperation by clients.

About the Company

Incorporated in 2010, MDA Mineral Dhatu (AP) Pvt Ltd (MMDPL) 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. In Crore)	
For the year ended* / As On	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 has moved the rating of MMDPL into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated June 23, 2021.
- India Ratings has moved the rating of MMDPL into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated March 18, 2019.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018- 19
1.	Cash Credit	Long Term	7.50	IVR BB-/INC	IVR BB/INC (September 1, 2020)	IVR BB+/Stable (June 6, 2019)	-

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.

Name and Contact Details of the Rating Analyst:

Name: Mr. Nilesh Gupta

Tel: (022) 62396023

Email: nilesh.gupta@infomerics.com

Name: Dr. Shashikant Raut

Tel: (022) 62396023

Email: shashikant.raut@infomerics.com



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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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 Bank Facilities- Cash Credit	-	-	-	7.50	IVR BB-/INC

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/MDA-mineral-lenders-nov21.pdf>

Annexure 3: List of companies considered for consolidated analysis: NA



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

Annexure 5: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1	Cash Credit	Simple

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.

