



## Press Release

### M.M. Industries

June 22, 2020

| Instrument / Facility                  | Amount (Rs. Crore) | Rating  | Rating Action   |
|--|--------------------|---|---|
| Long Term Bank Facilities- Cash Credit | 4.00               | IVR BB-; Stable; ISSUER NOT COOPERATING* (IVR Double B Minus with Stable outlook; Issuer Not Cooperating) | Revised from IVR BB/Stable (IVR Double B with Stable outlook) |
| Short Term Bank Facilities- LC         | 15.00              | IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)                                      | Revised from IVR A4+ (IVR A Four Plus)                        |
| <b>Total</b>                           | <b>19.00</b>       |   |   |

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

#### **Details of Facility are in Annexure 1**

#### **Detailed Rationale**

Infomerics has been seeking information from M.M. Industries (MMI) to monitor the ratings vide e-mail communications dated March 31, 2020, April 30, 2020, May 31, 2020 and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, Infomerics has reviewed the rating on the basis of the best available information.

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

#### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities. However, despite repeated requests by Infomerics, the firm's management has not submitted the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank loan facilities of M.M. Industries aggregating to Rs.19.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-



## Press Release

;Stable/A4: Issuer Not Co-operating; Based on best available information (IVR Double B Minus with Stable outlook and IVR A Four: Issuer Not Co-operating; Based on best available information).

### **Analytical Approach & Applicable Criteria**

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Trading Companies

Financial Ratios & Interpretation (Non-Financial Sector)

### **About the Firm**

Established in 1989, Ranchi (Jharkhand) based MM Industries (MMI) is a proprietary concern established by Mr. Ghanshyam Agarwal of Jharkhand. The entity is engaged in trading of coal (non-coking) and manganese ore. Coal and manganese ore is primarily imported from South Africa. MMI caters to the domestic market, with most of its revenue being generated from Jharkhand.

### **Financials (Standalone)**

**(Rs. Crore)**

| <b>For the year ended* / As On</b> | <b>31-03-2018</b> | <b>31-03-2019</b> |
|------------------------------------|-------------------|-------------------|
|                                    | <b>Audited</b>    | <b>Audited</b>    |
| Total Operating Income             | 38.28             | 51.31             |
| EBITDA                             | 0.46              | 1.20              |
| PAT                                | 0.54              | 0.60              |
| Total Debt                         | 0.00              | 0.00              |
| Tangible Net Worth                 | 6.07              | 4.67              |
| EBITDA Margin %                    | 1.20              | 2.34              |
| PAT Margin %                       | 1.38              | 1.17              |
| Overall Geating (x)                | 0.00              | 0.00              |

*\*Based on Infomerics classification*

**Status of non-cooperation with previous CRA:** INC from Crisil vide its press release dated October 17, 2019 due to lack of adequate information.

**Any other information:** Nil



## Press Release

### Rating History for last three years:

| Sr. No. | Name of Instrument/ Facilities | Current Rating (Year 2020-21) |                                |  | Rating History for the past 3 years     |   |   |
|---------|--------------------------------|-------------------------------|--------------------------------|--|---|---|---|
|         |                                | Type                          | Amount outstanding (Rs. Crore) | Rating                                   | Date(s) & Rating(s) assigned in 2019-20 | Date(s) & Rating(s) assigned in 2018-19 | Date(s) & Rating(s) assigned in 2017-18 |
| 1.      | Cash Credit                    | Long Term                     | 4.00                           | IVR BB-; Stable; ISSUER NOT COOPERATING* | IVR BB/Stable; (Sept 17, 2019)          | -                                       | -                                       |
| 2.      | Letter of Credit               | Short Term                    | 15.00                          | IVR A4; ISSUER NOT COOPERATING*          | IVR A4+ (Sept 17, 2019)                 | -                                       | -                                       |

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

**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](http://www.infomerics.com).

### Name and Contact Details of the Rating Analyst:

|   |   |
|---|---|
| Name: Mr.SanmoyLahiri   | Name: Mr.AvikPodder   |
| Tel: (033) 46022266   | Tel: (033) 46022266   |
| Email: <a href="mailto:slahiri@infomerics.com">slahiri@infomerics.com</a> | Email: <a href="mailto:apodder@infomerics.com">apodder@infomerics.com</a> |

### 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. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.



## Press Release

**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 Facility

| Name of Facility                             | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook                  |
|--|------------------|------------------|---------------|------------------------------|---|
| Long Term Fund Based Facilities- Cash Credit | -                | -                | -             | 4.00                         | IVR BB-; Stable; ISSUER NOT COOPERATING * |
| Short Term Non-Fund Based Facilities- LC     | -                | -                | -             | 15.00                        | IVR A4; ISSUER NOT COOPERATING *          |

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