



Press Release

Marda Industries Pvt Ltd.

October 19, 2020

Rating

Facilities	Amount (Rs. crore)	Rating	Rating Action
Long Term Bank Facilities	12.85	IVR B+; ISSUER NOT COOPERATING* (IVR Single B Plus; Issuer Not Cooperating)	Revised from IVR B+/Stable (IVR Single B Plus; Outlook: Stable) and moved to Issuer Not Cooperating Category
Total	12.85 (Rupees Twelve Crore eighty five lakh only)		

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

Details of Facility are in Annexure 1

Detailed Rationale

Infomerics has been seeking information from Marda Industries Pvt Ltd (MIPL) to monitor the ratings vide e-mail communications dated September 17, 2020, September 28, 2020, October 5, 2020 and numerous phone calls. However, despite our repeated requests, the company 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.

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. 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 ratings for the bank loan facilities of MIPL aggregating to Rs.12.85 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+; Issuer Not Co-operating; Based on



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best available information (IVR Single B Plus; 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 Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the Company

Incorporated in 2014 by the Marda family of Guwahati, Marda Industries Pvt Ltd (MIPL) is engaged in the manufacturing of Autoclaved Aerated Concrete (AAC) blocks (sand based). The manufacturing unit of the company is located at the Export Promotion Industrial Park (in Meghalaya) with an installed capacity to produce 1,00,000 cubic meters of AAC blocks annually. The plant was commissioned in June, 2016. The company sells AAC blocks under the brand name "POWERLITE".

Financials (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	6.41	7.24
EBITDA	1.83	2.40
PAT	0.01	0.02
Total Debt	11.28	12.57
Tangible Net worth	7.01	7.93
EBITDA Margin (%)	28.53	33.12
PAT Margin (%)	0.10	0.33
Overall Gearing Ratio (x)	1.61	1.59

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Nil



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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	1.35	IVR B+; ISSUER NOT COOPERATING*	IVR B+/Stable; (Sept. 16, 2019)	-	-
2.	Term Loan	Long Term	11.50	IVR B+ ; ISSUER NOT COOPERATING*	IVR B+/Stable; (Sept. 16, 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.

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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. Firm'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



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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	-	-	-	1.35	IVR B+ Stable; ISSUER NOT COOPERATING*
Long Term Fund Based Facilities- Term Loan	-	-	March 2023	11.50	IVR B+ Stable; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information