

## MPS Steels Private Limited

June 20, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.18	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; Stable;

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 11, 2023, placed the rating(s) of MPS Steels Private Limited (MSPL) under the 'issuer non-cooperating' category as MSPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 25, 2024, March 06, 2024, March 16, 2024, June 19, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of MSPL have been revised on account of delays in debt servicing recognized from publicly available information i.e. Auditor's comments in the FY22 and FY23 audit report, available from registrar of the companies.

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of the key rating drivers:

Please refer to PR dated [April 11, 2023](#)

### Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)  
[Policy on default recognition](#)

### About the company

MPS Steels Private Limited (MSPL) was originally established as MPS Steels Castings Private Limited, part of the Paragon Steel Group. It had two divisions – castings and ingots. Subsequently in FY13, the ingot division was taken over by Bee Path group, whose promoters are Mr. Palakkandy UsmanKoya Moideenkoya, Mr. Mujeeb Rehman Charupadikkal and Mr. Palakkandy Hafeezula and thus MSPL was incorporated. The directors, Mr. Palakkandy UsmanKoya Moideenkoya and family, have been in the steel industry for close to two decades are involved in the day to day activities of the business of MSPL. MSPL commenced its operations in May 2013 and is engaged in manufacturing MS ingots. The manufacturing unit is situated in Palakkad in 2.5 acres which has in-house warehouse to the extent of approx. 1 acre. MSPL is certified by ISO 9001:2008 and ISI certification for entire product range.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	34.88	59.13	92.44
PBILDT	0.57	8.03	4.62
PAT	0.35	4.70	2.67
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	0.75	17.03	10.06

A: Audited; NM: Not meaningful; Note: 'the above results are latest financial results available'

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

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	September, 2019	1.18	CARE D; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1.18	CARE D; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-Apr-23)	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (25-Jan-22)
2	Fund-based - LT-Cash Credit	LT	8.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-Apr-23)	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (25-Jan-22)

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

LT: Long term

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

### Contact us

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### About us:

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### Disclaimer:

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