

## Mega Steel Industries

August 14, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.50	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

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 July 03, 2023, placed the rating(s) of Mega Steel Industries (MSI) under the 'issuer non-cooperating' category as MSI had failed to provide information for monitoring of the rating. MSI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 18, 2024, May 28, 2024, June 07, 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).**

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

Please refer to PR dated [July 03, 2023](#)

### Applicable criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the firm

Bangalore based, Mega Steel Industries (MSI) was started by the partners Mr. Balaji Iyer, Mr. V Subramani and Mr. Kumar Ramakrishna Iyer in February 2016 to carry on the business of manufacture of MS Billets which are used as raw material in the manufacture of TMT bars. MSI has a branch at Hindupur and is spread across an area of ~2.25 acres of land while the plant at Jigni is spread over ~1.50 acres of land. MSI has an installed capacity of 1600 tons per month for manufacturing of the MS Billets and about 3200 tons per month for their associate concern which had started operations in August 2018. The firm procures the raw material for the products from local suppliers and sells the same locally in Karnataka, Tamil Nadu and Andhra Pradesh from the both the branch.

Brief Financials (₹ crore)	March 31, 2017 (A)	March 31, 2018 (A)
Total operating income	41.37	51.72
PBILDT	0.52	0.87
PAT	0.50	0.82
Overall gearing (times)	0.02	1.34
Interest coverage (times)	301.04	66.29

A: Audited; Note: 'the above results are latest financial results available'

<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

**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		-	-	-	1.28	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	February 2026	8.22	CARE B-; Stable; 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	8.22	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (03-Jul-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jun-22)	1)CARE B; Stable; ISSUER NOT COOPERATING* (28-Apr-21)
2	Fund-based - LT-Cash Credit	LT	1.28	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (03-Jul-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jun-22)	1)CARE B; Stable; ISSUER NOT COOPERATING* (28-Apr-21)

\*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](mailto:care@careedge.in) for any clarifications.

## Contact us

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**About us:**

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