

MTE Industries Private Limited

October 21, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	13.87	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; Stable; (Single B Minus; Outlook: Stable)
Short Term Bank Facilities	1.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
Total Bank Facilities	14.87 (Rs. Fourteen Crore and Eighty-Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 03, 2021, placed the rating(s) of MTE Industries Private Limited (MIPL) under the 'issuer non-cooperating' category as MIPL 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. MIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 20, 2022, July 30, 2022, August 10, 2022 and October 20, 2022.

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 MTEIPL have been revised on account of delays in debt servicing recognized from audit reports of FY20 and FY21 available from registrar of the companies.

Detailed description of the key rating drivers

Please refer to PR dated [September 03, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Company

Hyderabad based, MTE Forming Machines Private Limited (MF MPL) was incorporated on June 07, 1996 and promoted by Mr. Ch. Sathi Reddy, Ch. Jayasimha Reddy and Ch. Gayathri. Later on October 24, 2002, the name of the company changed to current nomenclature i.e. MTE Industries Private Limited (MIPL). Currently, the company is mainly engaged in manufacturing of Thread Rolling machines, CNC Spline and Rack Rolling machines and their spare parts.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	H1FY23 (Prov.)
Total operating income	21.16	28.00	NA	NA
PBILDT	2.76	4.58	NA	NA
PAT	-1.19	0.98	NA	NA
Overall gearing (times)	1.71	1.64	NA	NA
Interest coverage (times)	2.04	3.01	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.17	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2024	8.70	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	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			Date(s) and Rating(s) assigned in 2022-2023	Rating History		
		Type	Amount Outstanding (Rs. crore)	Rating		Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	8.70	CARE D; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (03-Sep-21)	1)CARE B; Stable; ISSUER NOT COOPERATING * (27-Aug-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING * (05-Jun-19)
2	Fund-based - LT-Cash Credit	LT	5.17	CARE D; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (03-Sep-21)	1)CARE B; Stable; ISSUER NOT COOPERATING * (27-Aug-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING * (05-Jun-19)
3	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (03-Sep-21)	1)CARE A4; ISSUER NOT COOPERATING * (27-Aug-20)	1)CARE A4; ISSUER NOT COOPERATING * (05-Jun-19)

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

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Bank lender details for this company

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

Note on complexity levels of the rated instrument: CARE 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.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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