

MPS Steels Private Limited

January 25, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	9.18	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	9.18 (Rs. Nine Crore and Eighteen Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 14, 2021, 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 November 30, 2021, December 10, 2021 and December 20, 2021.

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).

Detailed description of the key rating drivers

Please refer to PR dated [January 14, 2021](#)

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

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

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.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (Prov.)
Total operating income	29.99	NA	NA
PBILDT	-0.91	NA	NA
PAT	-2.58	NA	NA
Overall gearing (times)	-0.56	NA	NA
Interest coverage (times)	-1.28	NA	NA

NA: Not available; A: Audited; Prov.: Provisional

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: Annexure-3

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

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-Term Loan		-	-	September, 2019	1.18	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Type	Current Ratings		Rating history			
			Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	1.18	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (14-Jan-21)	1)CARE B; Stable; ISSUER NOT COOPERATING* (16-Dec-19)	1)CARE B+; Stable (04-Sep-18)
2	Fund-based - LT-Cash Credit	LT	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (14-Jan-21)	1)CARE B; Stable; ISSUER NOT COOPERATING* (16-Dec-19)	1)CARE B+; Stable (04-Sep-18)

*Issuer did not cooperate; based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / 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

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.

Contact us

Media Contact

Name: Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: Mrs. Shachee Vyas
Contact no.: 079-40265665
Email ID: shachee.tripathi@careedge.in

Relationship Contact

Name: Mr. Nitin Kumar Dalmia
Contact no. : 080- 4662 5555
Email ID: nitin.dalmia@careedge.in

About CARE Ratings:

Established in 1993, CARE Ratings Ltd is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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.

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