

Mb Sponge & Power Limited

July 26, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.60	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	11.60 (Rs. Eleven Crore and Sixty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated May 24, 2021, placed the rating(s) of Mb Sponge & Power 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 April 09, 2022, April 19, 2022, April 30, 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).

Detailed description of the key rating drivers

Please refer to PR dated [May 24, 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

MB Sponge and Power Limited (MSPL) incorporated in September 10, 2004, was promoted by Agarwal family of West Bengal, with Shri Shankarlal Agarwal being the main promoter. The company commenced operations in March 2006. MBSPL is engaged in the manufacturing of sponge iron at its plant located at Burdwan with a current installed capacity of 60,000 metric tonne per annum (MTPA) and trading of iron & steel related products like iron ore fines, TMT bars, G.I Wires, Steel Round, M.S Wire, M.S Angle etc. Mr. Shankar Lal Agarwal (Managing Director), having almost three decades of experience in the similar line of business, looks after the day to day operations of the company. He is supported by other director Mr. Ritesh Kumar Agarwal, Mr. Raj Kumar Agarwal and Mr. Pawan Kumar Agarwal and a team of experienced professionals who are having long experience in similar line of business.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	102.92	113.13	NA	NA
PBILDT	5.32	5.14	NA	NA
PAT	1.71	1.62	NA	NA
Overall gearing (times)	0.55	0.62	NA	NA
Interest coverage (times)	2.58	2.87	NA	NA

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

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

Status of non-cooperation with previous CRA: India Ratings has continued the rating assigned to the bank facilities of MSPL into Issuer Not Cooperating category vide press release dated September 16, 2021 on account of its inability to carry out a review in the absence of the requisite information from the company.

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		-	-	-	11.20	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft		-	-	-	0.40	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	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	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-Cash Credit	LT	11.20	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (24-May-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (22-Apr-20)	-
2	Fund-based - LT-Bank Overdraft	LT	0.40	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (24-May-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (22-Apr-20)	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of rated instrument/facility: Not Applicable

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

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

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