

March 08, 2024

Ramgad Minerals and Mining Limited: Change in Limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long term - Fund Based - Term Loans	100.00	82.00	[ICRA]A+ (Stable); outstanding
Long term - Fund Based - Cash Credit	0.00	25.00	[ICRA]A+ (Stable); outstanding
Short -Term - Non fund-based	110.00	105.00	[ICRA]A1+; outstanding
Long term - Unallocated	40.00	38.00	[ICRA]A+ (Stable); outstanding
Total	250.00	250.00	

*Instrument details are provided in Annexure-1

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities, and key financial indicators: [click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology - Mining Rating Methodology - Power - Wind Rating Methodology - Shipping Rating Methodology - Iron & Steel
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MSPL Limited along with its subsidiaries and a Group company, RMML. As on March 31, 2023, the company had three subsidiaries that are enlisted in Annexure-2.

About the MSPL Group

MSPL Limited

MSPL Limited is the flagship company of the Karnataka-based Baldota Group. It was promoted by Late A. H. Baldota in 1962. The company is managed by Mr. Narendrakumar Baldota and his two sons. The Group has presence in diverse businesses such as iron and steel, renewable energy, shipping and logistics, and industrial gases. MSPL operated one of the largest private sector mines in Bellary district, Karnataka, the Vyasanakere Iron Ore Mine (VIOM; lease expired in November 2022). It also has an iron pellet manufacturing capacity of 1.2 mtpa and an installed wind power generation capacity of 127.8 MW with wind assets in Maharashtra, Gujarat and Karnataka.

Ramgad Minerals and Mining Limited

Ramgad Minerals and Mining Limited was set up as a partnership concern in 1979 and was reconstituted as a public limited company in 2009. RMML held a mining lease for three iron ore mines in Bellary district, of which only one (0.5 mtpa Iyli Gurunath iron ore mine) is operational at present. RMML also owns wind assets across Gujarat, Karnataka, Rajasthan and Maharashtra and has a total installed capacity of 67.75 MW.

MSPL Maritime Pte Limited

MSPL Maritime Pte Limited (MMPL) is a wholly-owned subsidiary of MSPL and functions purely as a holding company for its subsidiary, MSPL Diamonds Pte Limited (MDPL), which owns and operates four post-Panamax vessels of 92,500 deadweight tonnage (DWT) for voyages carrying bulk cargoes primarily in the Pacific Ocean.

Aaress Iron and Steel Limited

Aaress Iron and Steel Limited (AISL) was incorporated in December 2005 to install a 1-mtpa integrated steel plant including a captive power plant at Koppal, Karnataka. It is a wholly-owned subsidiary of MSPL, and has no meaningful operations at present. The company had obtained a 10-year lease rights (with an option to purchase the lease land after the lease period) of 922 acres from the Karnataka Industrial Areas Development Board (KIADB). The company has further acquired 98 acres of land through the Government of Karnataka and directly from landowners for its future expansion.

P. Venganna Setty and Bros

P. Venganna Setty and Bros (PVS) is a partnership firm set up in 1952 by its promoters, Mr. P. G. Nagbhushan and family. MSPL Limited acquired a 90% stake in the concern in 1980, while the remaining 10% was retained by the erstwhile promoters. PVS holds a mining lease for the Pathikonda Iron Ore Mine (PIOM), a 'Category-B' open-cast mine in the Bellary district of Karnataka. The mining lease for PIOM expired in March 2020. The firm also owns wind assets totalling 14.8 MW in Karnataka and Gujarat.

Status of non-cooperation with previous CRA – Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years			
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore) as on Feb 29, 2024	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Mar 08, 2024	Feb 23, 2023	Dec 2, 2021	Mar 5, 2021
1 Term Loans	LT	82.00	82.00	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A (Stable)
2 Cash Credit	LT	25.00	-	[ICRA]A+ (Stable)	-	-	[ICRA]A (Stable)
3 Non fund-based	ST	105.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1
4 Unallocated	LT	38.00	-	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	-

Amount in Rs. crore; LT – Long Term; ST – Short Term

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term Loans	Simple
Cash Credit	Simple
Non-fund based	Very Simple
Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	FY2017	-	FY2027	82.0	[ICRA]A+ (Stable)
NA	Cash Credit	-	-	-	25.0	[ICRA]A+ (Stable)
NA	Non-fund based	-	-	-	105.0	[ICRA]A1+
NA	Unallocated	-	-	-	38.0	[ICRA]A+ (Stable)

Source: Company

Annexure-2: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Aaress Iron & Steel Limited	100.00%	Full Consolidation
MSPL Maritime Pte Limited	100.00%	Full Consolidation
MSPL Diamond Pte Limited	100.00% (step down subsidiary of MSPL Maritime Pte Limited)	Full Consolidation
P Venganna Setty & Bros	90.00%	Full Consolidation
Ramgad Minerals and Mining Limited	Group company	Full Consolidation

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Branches



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