

June 03, 2024

M Hanumantha Rao: Moved to Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based – Term Loans	84.70	84.70	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Fund based – Cash Credit	4.80	4.80	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Non-fund based – Bank Guarantee	6.00	6.00	[ICRA] A3; ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Fund based – Export Packing Credit	15.00	15.00	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Total	110.50	110.50	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of M Hanumantha Rao to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BBB-(Stable)/[ICRA]A3 ISSUER NOT COOPERATING".

The rating is based on limited cooperation from the entity since the time it was last rated in July 2023. As a part of its process and in accordance with its rating agreement with M Hanumantha Rao, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with the "Policy in respect of non-cooperation by a rated entity" of ICRA, the rating has been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy In Respect of Non-Cooperation by a Rated Entity Mining Wind- Power
Parent/Group support	NA
Consolidation/Standalone	The ratings are based on the standalone financials of MHR

About the company

M Hanumantha Rao (MHR) is a partnership firm started in 2002 and is involved in iron ore mining in Sandur Taluk, Bellary district, Karnataka with a sanctioned mining area of 40.47 hectares with lease validity till 2055. MHR is involved in extraction and sale of iron ore and has permission for mining of 2,26,000 MT per annum of iron ore per annum. MHR also operates windmills for power generation with an existing capacity of 14.70 MW. MHR was started by Shri Shyam Sunder Chirania and Shri M Hanumantha Rao as equal partners in the firm. MHR is promoted by Shri Shyam Sunder Chirania, his sons Mr. Anil Kumar Chirania and Mr. Arun Kumar Chirania and Mr. M Maruti Rao with effect from 2018.

Key financial indicators

M Hanumantha Rao	FY2022	FY2023*
Operating income	72.35	30.36
PAT	24.97	0.49
OPBDIT/OI	51.8%	44.5%
PAT/OI	34.5%	1.6%
Total outside liabilities/Tangible net worth (times)	1.29	2.32
Total debt/OPBDIT (times)	0.80	4.34
Interest coverage (times)	17.98	3.67

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA – Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years				
		Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
				June 3, 2024	Jul 14, 2023	Jan 23, 2023	Jan 06, 2023	-
1 Term loans	Long-term	84.70	45.19	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	-
2 Cash Credit	Long-term	4.80	-	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	-	-
3 Bank Guarantee	Short-term	6.00	-	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3	[ICRA]A3	-	-
4 Export Packing Credit	Long-term	15.00	-	[ICRA]BBB-(Stable); ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Term Loans	Simple
Long Term – Cash Credit	Simple
Short Term – Bank Guarantee	Very Simple
Long Term – Export Packing Credit	Simple

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-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loans	March 2022	NA	March 2037	84.70	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING
NA	Cash Credit	NA	NA	NA	4.80	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	NA	NA	NA	6.00	[ICRA]A3; ISSUER NOT COOPERATING
NA	Export Packing Credit	NA	NA	NA	15.00	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis: NA.

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Branches



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