

September 09, 2024

Mohan Mutha Exports Private Limited: Ratings downgraded to [ICRA]BB/[ICRA]A4; Outlook on the long-term rating revised to 'Stable' from 'Negative'; Ratings moved to Issuer Non-Cooperating Category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term Loan	35.00	35.00	[ICRA]BB (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+, outlook revised to Stable from Negative and Ratings moved to the “ISSUER NOT COOPERATING” category
Long-term Fund-based – Working Capital Facilities	155.00	155.00	[ICRA]BB (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+, outlook revised to Stable from Negative and Ratings moved to the “ISSUER NOT COOPERATING” category
Short-term – Non-fund Based	85.00	85.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and Rating moved to the “ISSUER NOT COOPERATING” category
Long-term/ Short-term – Unallocated	25.00	25.00	[ICRA]BB (Stable)/ [ICRA]A4 ISSUER NOT COOPERATING*; Long term rating downgraded from [ICRA]BB+, outlook revised to Stable from Negative, short-term rating downgraded from [ICRA]A4+ and ratings moved to the “ISSUER NOT COOPERATING” category
Total	300.00	300.00	

**Issuer did not cooperate; based on best available information; ^Instrument details are provided in Annexure-1*

Rationale

ICRA has downgraded and moved the ratings for the bank facilities of Mohan Mutha Exports Private Limited (MMEPL/the company) to the 'Issuer Not Cooperating' category. The rating is denoted as “[ICRA]BB (Stable)/[ICRA]A4; ISSUER NOT COOPERATING”.

The rating downgrade is because of lack of adequate information regarding MMEPL's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with MMEPL, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities and Key financial indicators: [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 the rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the company's consolidated financial profile.

About the company

With over five decades of its presence, Mohan Mutha Exports Private Limited is an exporter of construction and infrastructure raw materials and fittings, food and commodities, apparels and textiles, etc, primarily to Maldives (generating over 95% of revenues). Construction materials drive over 60% of revenues, followed by food materials (~20–30%) and other products. Over 60% of revenues come from exports to Maldivian government-owned entities. The company is closely held by the promoters through a holding company, Mohan Mutha Sons Investments Private Limited (MMSIPL).

MMEPL has a 100% subsidiary HRS Infratech Private Limited, which owns and provides fleets of ships on rent; while a stepdown subsidiary, Mega Infra Projects Pvt. Ltd., provides construction machinery on rent; and a joint venture (JV) firm, Mohan Mutha Ashoka Buildcon LLP, carries out infrastructure projects in and around Maldives. The company also has a subsidiary, Mohan Mutha Exports Private Limited, Male, and a JV, Mohan Mutha Point Three LLP, which are non-operational and are expected to be wound up in the near term. Further, the company has recently formed a JV with Huta Marine Works Limited for certain specific infrastructure projects. Apart from these entities, the Group has other entities who are involved in logistics and infrastructure businesses.

The Group is managed by Mr. Hansraj Mutha, Mr. Ramesh Kumar Mutha and Mr. Suresh Mutha, sons of the promoter, Late Mohan Lal Mutha. The Group has a succession plan in place and the third generation of the Mutha family are involved in the day-to-day business operations.

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)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			Sept 09, 2024	Feb 12, 2024	Mar 30, 2023	Jan 11, 2022
1 Long-term – fund-based - Term loans	Long term	35.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)	[ICRA]BBB- (Stable)	-
2 Long-term – fund-based – Working Capital Facilities	Long term	155.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
3 Short-term – Non-Fund Based	Short – term	85.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA] A4+	[ICRA]A3	[ICRA]A3
4 Long-term/ short-term - Unallocated	Long term and short term	25.00	[ICRA]BB (Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)/ [ICRA]A4+	[ICRA]BBB- (Stable)/ [ICRA]A3	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – fund based – Term Loan	Simple
Long-term – fund based – Working Capital Facility	Simple
Short -term – Non-Fund Based	Very Simple
Long-term/ short-term – 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-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – fund based – Term Loan	FY2022	12.8%	FY2025	35.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING
NA	Long-term – fund based – Working Capital Facility	NA	NA	NA	155.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING
NA	Short-term – Non-Fund Based	NA	NA	NA	85.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Long-term/ short-term – Unallocated	NA	NA	NA	25.00	[ICRA]BB (Stable)/[ICRA]A4; 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

Company Name	Ownership	Consolidation Approach
Mohan Mutha Exports Private Limited	NA	Full Consolidation
HRS Infratech Pte Ltd	100.00%	Full Consolidation
Mega Infra Projects Pvt Ltd (MIPL)	100.00%	Full Consolidation
M20 Hospitality Ventures Pte. Ltd. (100% holding)	100.00%	Full Consolidation
Mohan Mutha Exports Private Limited, Male	100.00%	Full Consolidation
Mohan Mutha Ashoka Buildcon LLP	50.00%	Equity Method
Mohan Mutha Point Three LLP	65.00%	Equity Method
Huta Marine and Mohan Mutha Exports Private Limited	49.00%	Equity Method

Source: Company; Note: ICRA has taken a consolidated view of the parent (MMEPL), its subsidiaries and joint ventures while assigning the ratings

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Branches



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