

January 31,2025

## Mangal Sponge and Steel Private Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

| Instrument <sup>^</sup>           | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action  |
|-----------------------------------|--------------------------------------|-------------------------------------|--|
| Long Term-Fund Based- Cash Credit | 25.00                                | 25.00                               | [ICRA]B- (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Long Term-Fund Based- Term Loan   | 9.50                                 | 9.50                                | [ICRA]B- (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Short Term-Non Fund Based- Others | 1.00                                 | 1.00                                | [ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category          |
| <b>Total</b>                      | <b>35.50</b>                         | <b>35.50</b>                        |  |

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the Long-Term and Short Term ratings of Mangal Sponge and Steel Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B-(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Mangal Sponge and Steel Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, 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 information and in line with the aforesaid policy of ICRA, the rating has been continued 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, : [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 | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Policy In Respect of Non-Cooperation by a Rated Entity</a><br><a href="#">Iron &amp; Steel</a> |
| Parent/Group support            | Not Applicable  |
| Consolidation/Standalone        | Standalone  |

## About the company

Established in 1997, MSSPL is a closely-held company promoted by the Bilaspur-based Agrawal family. The company started production of sponge iron in FY2005 followed by mild steel (MS) billets in FY2010. MSSPL's plant is located at Bilha Industrial Area, Bilaspur (Chhattisgarh). MSSPL has facilities for manufacturing sponge iron and billets.

### Key financial indicators :

| BSPL   | FY2022 | FY2023 |
|--|--------|--------|
| Operating income                                     | 428.49 | 460.88 |
| PAT  | 5.66   | 7.30   |
| OPBDITA/OI   | 4.8%   | 4.5%   |
| PAT/OI   | 1.3%   | 1.6%   |
| Total outside liabilities/Tangible net worth (times) | 0.97   | 0.71   |
| Total debt/OPBDITA (times)                           | 2.07   | 1.67   |
| Interest coverage (times)                            | 4.29   | 6.67   |

### Status of non-cooperation with previous CRA:

| CRA       | Status  | Date Of Release |
|-----------|---|-----------------|
| CARE      | CARE BB- (Stable)/CARE A4; ISSUER NOT COOPERATING | June 11, 2024   |
| Brickwork | BWR BB+ (Stable)/ BWR A4+; ISSUER NOT COOPERATING | April 16, 2024  |

Any other information: None

### Rating history for past three years

|   | Instrument                  | Type       | Amount<br>Rated<br>(Rs.<br>Crore) | Current Rating<br>(FY2025)                  | Chronology of Rating History<br>for the past 3 years |   |             |   |             |   |
|---|-----------------------------|------------|-----------------------------------|---|--|---|-------------|---|-------------|---|
|   |                             |            |                                   | Date & Rating in                            | FY2024   |   | FY2023      |   | FY2022      |   |
|   |                             |            |                                   | Jan-31-2025                                 | Date   | Rating                                      | Date        | Rating                                      | Date        | Rating                                      |
| 1 | Cash Credit                 | Long Term  | 25.00                             | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING | 24-Nov-2023  | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING | 30-Sep-2022 | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING | 23-Sep-2021 | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING |
| 2 | Term Loan                   | Long Term  | 9.50                              | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING | 24-Nov-2023  | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING | 30-Sep-2022 | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING | 23-Sep-2021 | [ICRA]B-(Stable);<br>ISSUER NOT COOPERATING |
| 3 | Short Term - Non Fund Based | Short Term | 1.00                              | [ICRA]A4; ISSUER NOT COOPERATING            | 24-Nov-2023  | [ICRA]A4; ISSUER NOT COOPERATING            | 30-Sep-2022 | [ICRA]A4; ISSUER NOT COOPERATING            | 23-Sep-2021 | [ICRA]A4; ISSUER NOT COOPERATING            |

### Complexity level of the rated instrument

| Instrument                  | Complexity Indicator |
|-----------------------------|----------------------|
| Cash Credit                 | Simple               |
| Term Loan                   | Simple               |
| Short Term - Non Fund Based | Very 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, is available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

| ISIN No | Instrument Name             | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook                   |
|---------|-----------------------------|-----------------------------|-------------|---------------|-------------------------|--|
| NA      | Cash Credit                 | NA                          | NA          | NA            | 25.00                   | [ICRA]B- (Stable);<br>ISSUER NOT COOPERATING |
| NA      | Term Loan                   | NA                          | NA          | NA            | 9.50                    | [ICRA]B- (Stable);<br>ISSUER NOT COOPERATING |
| NA      | Short Term - Non Fund Based | NA                          | NA          | NA            | 1.00                    | [ICRA]A4;<br>ISSUER NOT COOPERATING          |

Source: Mangal Sponge and Steel Private Limited

#### Annexure-II: List of entities considered for consolidated analysis: Not applicable

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



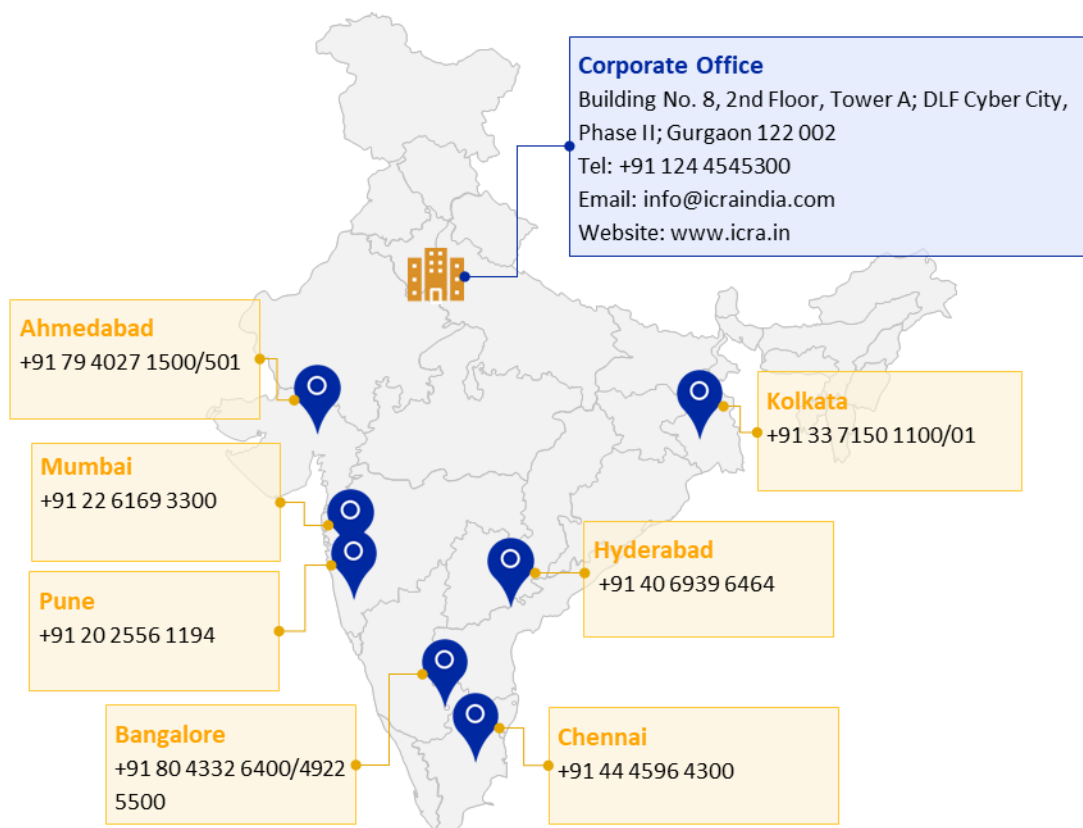
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### Branches



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