

## M.M. Ispat Private Limited

Instrument	Amount (Rs. Crore)	Rating Action February, 2016
Long term - Cash Credit Facility	6.00	[ICRA]B assigned
Long term – Unallocated limits	4.00	[ICRA] B assigned

ICRA has assigned a long term rating of **[ICRA]B** (pronounced ICRA B)<sup>1</sup> to the Rs. 6.00 crore<sup>2</sup> fund based cash credit facility and the Rs. 4.0 crore unallocated limits of M.M. Ispat Pvt. Ltd. (MMIPL / the company).

The assigned rating takes into account MMIPL's weak financial profile characterized by nominal profits, low cash accruals, depressed debt coverage indicators and high working capital intensity of operations, as reflected by net working capital relative to its operating income of 42% as on March 31, 2015. ICRA notes that this adversely impacts its liquidity position, as also reflected by the high utilization of bank limits sanctioned to the company. The rating also considers the limited value addition in MMIPL's business and a highly fragmented nature of the industry characterized by intense competition, both of which result in thin operating and net profitability.

The rating, however, draws comfort from the long experience of the promoters with over three decades in the steel trading business and its diversified product mix including hot rolled sheets, cold rolled sheets, galvanized plain, galvanized corrugated sheets, M.S. angles, M.S. channels, M.S. pipes, etc. Going forward, MMIPL's ability to grow its business and improve its profitability with effective management of working capital would remain the key rating sensitivities.

### Company Profile

M.M. Ispat Private Limited, incorporated in the year 2009, is engaged in trading of iron and steel products, such as hot rolled sheets, cold rolled sheets, galvanized plain, and galvanized corrugated sheets, among other products, primarily in Raipur, Chhattisgarh.

### Recent Results

MMIPL reported a net profit of Rs. 0.15 crore on an operating income of Rs. 25.62 crore during FY2015, in comparison to a net profit of Rs. 0.14 crore on an operating income of Rs. 22.99 crore during FY2014.

**February 2016**

*For further details please contact:*

Analyst Contacts:

**Mr. Jayanta Roy**, (Tel. No. +91-33-22876617 / 22800008)  
jayanta@icraindia.com

Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91 33 7150 1100)  
jayantac@icraindia.com

<sup>1</sup> For complete rating scale and definitions, please refer to ICRA's website ([www.icra.in](http://www.icra.in)) or other ICRA rating publications.

<sup>2</sup> 100 lakh = 1 crore = 10 million



© Copyright, 2016, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**Mobile: **9871221122**Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**Mobile: **9821086490**Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**Mobile: **+91 9903394664**Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**Mobile: **989986490**Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**Mobile: **989986490**Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500