

December 31, 2019

Mizoram Ispat Industries: continues to remain under ‘Issuer Not Cooperating’ category, Ratings downgraded based on best available information

Summary of Rated Instrument:

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based – Cash Credit	4.25	4.25	[ICRA]B+(Stable) ISSUER NOT COOPERATING*/ Rating downgraded from [ICRA]BB (Stable) and Continues to remain under ‘Issuer Not Cooperating’ category.
Fund based – Term Loans	20.00	20.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*/ Rating downgraded from [ICRA]BB (Stable) and Continues to remain under ‘Issuer Not Cooperating’ category.
Unallocated Limit	0.75	0.75	[ICRA]B+(Stable)/[ICRA]A4 ISSUER NOT COOPERATING*/ Long term Rating downgraded from [ICRA]BB (Stable)/[ICRA]A4 and Continues to remain under ‘Issuer Not Cooperating’ category.
Total	25.00	25.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The ratings for the Rs. 25.00 crore bank facilities of Mizoram Ispat Industries. Downgraded and continues to remain under ‘Issuer Not Cooperating’ category. The rating is now denoted as “[ICRA]B+ (stable)/[ICRA]A4; ISSUER NOT COOPERATING”.

The rating downgrade is because of lack of adequate information regarding Mizoram Ispat Industries 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 the rated entity”. 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 Mizoram Ispat Industries. ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information.

About the company:

MII was established as a partnership firm in 2010 and had set up an ingot and TMT bar manufacturing plant in Mizoram. The plant was commissioned in July, 2012. In FY2016, the firm added a wire rod manufacturing facility. The promoters also have interests in the cement and infrastructure industries.

The previous detailed rating rationale is available on the following link: [Click here](#)

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Key financial indicators:

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					31-Dec-2019	27-Sep-2018	15-Dec-2017	16-Mar-2017
1	Cash Credit	Long Term	4.25	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)
2	Term Loans	Long Term	20.00		[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)
3.	Unallocated Limit	Long Term/Short Term	0.75		[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB (Stable)/ [ICRA] A4; ISSUER NOT COOPERATING	[ICRA]BB (Stable)/ [ICRA]A4

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	4.25	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Term Loans	NA	NA	NA	20.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Unallocated Limit	NA	NA	NA	0.75	[ICRA]B+(Stable) /[ICRA]A4 ISSUER NOT COOPERATING

Source: Mizoram Ispat

Industries.

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About ICRA Limited:

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