

October 30, 2020

## **Mitter Fasteners: Moved to the issuer not cooperating category, Rating downgraded based on best available information**

### **Summary of rated instruments**

<b>Instrument<sup>^</sup></b>	<b>Previous Rated Amount (Rs. crore)</b>	<b>Current Rated Amount (Rs. crore)</b>	<b>Rating Action</b>
Long term/Short Term Fund Based/Non-fund Based limits	34.5	34.5	[ICRA]B+(Stable)/A4 ISSUER NOT COOPERATING*; Long term rating downgraded from [ICRA]BB(Stable) and moved to 'Issuer Not Cooperating' category
<b>Total</b>	<b>34.5</b>	<b>34.5</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information.

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

### **Rationale**

The rating downgrade is because of lack of adequate information regarding Mitter Fasteners'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](http://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 Mitter Fasteners, 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 the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

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

### **About the company:**

Established in 1982, Mitter Fasteners, a proprietorship firm, is promoted by Mr. Mukesh Sahani and his family members. The firm is involved in the business of manufacturing of fasteners and other fabricated items. The firm manufactures cold forged products, sheet metal components, and machined products. It supplies its products directly to reputed and established Original Equipment Manufacturer (OEM) and ancillary units. The firm has set up its manufacturing facility in Ludhiana, Lucknow, Doraha and Pantnagar (Uttarakhand).

The firm's operations involve fabrication, manufacturing based on orders received from customers (in the required quality and dimensions), packaging as per customer requirement and dispatching the same. On approval of sample by customers, order is received as per the production schedule of the customer (3 months production schedule) and processed by the production department. Selling price of products varies according to weight, quality and size of the product.

### Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	135.2	169.9
PAT (Rs. crore)	6.7	7.8
OPBDIT/OI (%)	11.8%	11.2%
RoCE (%)	17.4%	16.8%
Total Outside Liabilities/Tangible Net Worth (times)	3.2	2.9
Total Debt/OPBDIT (times)	2.7	3.0
Interest Coverage (times)	3.8	3.9
DSCR	3.8	3.9

Source: MCA

### Status of non-cooperation with previous CRA

Not applicable

### Any other information

Not applicable

### Rating history for past three years

All figures in Rs. Crore

	Instru ment	Current Rating (FY2021)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstand ing	Rating	FY2020	FY2019		FY2018
					30-Oct-2020	08-Aug-2019	16-Oct-2018	26-Jul-2018	-
1	Non- fund Based limits	Long/Sh ort Term	34.5	-	[ICRA]B+(Stable)/ A4 ISSUER NOT COOPERATING	[ICRA]BB (Stable)/A4	[ICRA]BB- (Stable)/A4; ISSUER NOT CCOPERATIN; Withdrawn	[ICRA]BB- (Stable)/A4 ISSUER NOT COOPERATING	-

### 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](http://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	Non-fund Based limits	-	-	-	34.5	[ICRA]B+(Stable)/A4 ISSUER NOT COOPERATING

Source: Mitter Fasteners

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## About ICRA Limited:

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.

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

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