March 31, 2020

Mewar HiTech Engineering Limited: Moved to Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments:

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Limits	10.00	10.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING; Rating downgraded from [ICRA]BB(Stable) and moved to the 'Issuer Not Cooperating' category
Total	**10.00**	**10.00**	

Rationale

The Long-Term rating downgrade is because of lack of adequate information Mewar Hi-Tech Engineering Limited'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 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 Mewar Hi-Tech Engineering Limited, 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.

The previous detailed rating rationale is available on the following link: Click here

About the company:

Mewar Hitech Engineering Limited (MHEL), incorporated in 2006 by Mr. C. S. Rathore and his family members, manufactures and sells stone crushers, vibrating screens, hoppers, feeders, conveyor belts and other related equipment. The company's manufacturing facility is in Sukher, Udaipur. MHEL sells its products under its brand, Kingson.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not applicable

Key financial Indicators

	FY2018 Audited	FY2019 Audited	6M FY2020 Unaudited
Operating Income (Rs. crore)	62.03	60.25	24.22
PAT (Rs. crore)	1.24	0.07	0.11
OPBDIT/OI (%)	8.43%	6.74%	6.55%
RoCE (%)	16.42%	9.01%	8.86%
Total Outside Liabilities/Tangible Net Worth (times)	4.77	4.39	4.06
Total Debt/OPBDIT (times)	3.63	4.98	12.68
Interest Coverage (times)	2.35	1.95	1.42
DSCR	1.31	1.36	1.34

Source: BSE

Rating history for past three years

S. No	Name of Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 years			
		Type	Rated amount	Amount outstanding	Month-year & Rating	Month- year and Rating in			
						FY2019	FY2018	FY2017	
			(Rs. crore)		31-Mar- 2020	27-Sep-2018	05-Jan-2018	14-Mar-2017	13-Dec-2016
1	Fund based-Working Capital Facilities	Long Term	10.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB(Stable)	[ICRA]BB- (Stable)	[ICRA]B (Stable)	[ICRA]B; Suspended

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 click here

Annexure-1
Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based Working Capital Facilities	NA	NA	NA	10.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Mewar Hi-Tech Engineering Limited

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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.

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

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