

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	FY2019	6M FY2020
	Audited	Audited	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	Type	Current Rating (FY2020)			Chronology of Rating History for the Past 3 years			
			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](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	Fund based Working Capital Facilities	NA	NA	NA	10.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Mewar Hi-Tech Engineering Limited

Analyst Contacts

K Ravichandran

+91 444 5964301

ravichandran@icraindia.com

Manish Ballabh

+91-124-4545 812

manish.ballabh@icraindia.com

Vipin Jindal

+0124-4545 355

vipin.jindal@icraindia.com

Hemant Dahiya

+91 124 4545365

hemant.dahiya@icraindia.com

Relationship Contact

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2020 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 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