

September 16 2020

Mahamaya Steel Industries Limited: Rating continues to remain under issuer Non-Cooperating category, Ratings 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 – Term Loan	6.50	6.50	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under ‘Issuer Not Cooperating’ category
Fund Based Limits – Cash Credit	30.00	30.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under ‘Issuer Not Cooperating’ category
Non Fund Based Limits – Letter of Credit/ Bank Guarantee	36.00	36.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain under ‘Issuer Not Cooperating’ category
Untied Limits	10.50	10.50	[ICRA]B+ (Stable)/[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable)/[ICRA]A4+ and continues to remain under ‘Issuer Not Cooperating’ category
Total	83.00	83.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Mahamaya Steel Industries 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 a rated entity” available at 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 Mahamaya Steel Industries 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 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:

Mahamaya Steel Industries Limited (MSIL) was incorporated in May, 1988, by Mr. Ramanand Agrawal as the flagship company of the Raipur-based Mahamaya Group. The company was later reconstituted as a public limited company in August, 1990. Located at Raipur (Chhattisgarh), MSIL has production facilities for billets/blooms and structural steel products with annual production capacities of 200,000 metric tonne (MT) and 255,000 MT, respectively. Additionally, the company has a gas plant with an annual production capacity of 900,000 cubic metre (CuM). It supplies oxygen and nitrogen cylinders to external customers and also uses them for its captive consumption. MSIL produces heavy and light steel structural products such as beams, channels and girders, which are primarily used for heavy construction. Its products are sold under the brand name "MAHAMAYA"

Key financial indicators:

	FY2019	FY2020
Operating Income (Rs. crore)	465.17	357.75
PAT (Rs. crore)	6.10	3.25
OPBDITA/OI (%)	4.86%	4.41%
RoCE (%)	10.82%	5.87%
Total Outside Liabilities/Tangible Net Worth (times)	1.54	1.18
Total Debt/OPBDITA (times)	2.91	4.92
Interest Coverage (times)	2.02	1.74
DSCR	1.86	1.41

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

	Instrument	Current Rating (FY2021)			Rating History for the Past 3 Years				
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018	
					16-Sept 2020	26-July-2019	-	16-Mar-2018	03-Jan-2018
1	Term Loan	Long Term	6.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable) ISSUER NOT COOPERATING	-	[ICRA]BB (Stable) ISSUER NOT COOPERATING	[ICRA]BB (Stable)
2	Cash Credit	Long Term	30.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable) ISSUER NOT COOPERATING	-	[ICRA]BB (Stable) ISSUER NOT COOPERATING	[ICRA]BB (Stable)
3	Letter of Credit/ Bank Guarantee	Short Term	36.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING		[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+
4	Untied Limits	Short Term/ Long Term	10.50	-	[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	Term Loan	Jan-2016	-	Mar-2023	6.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	30.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Letter of Credit/ Bank Guarantee	-	-	-	36.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Untied Limits	-	-	-	10.50	[ICRA]B+ (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING

Source: Mahamaya Steel Industries 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.

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