

Press Release

Mittal Engineering Works

April 30, 2019



Rating Update

Total Bank Facilities Rated*	Rs.9.00 Cr.#
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Acuité has reviewed the long-term rating of '**ACUITE B**' (**read as ACUITE B+**) and short term rating of '**ACUITE A4**' (**read as ACUITE A Four**) on the Rs. 9.00 crore bank facilities of Mittal Engineering Works (MEW). This rating is now an indicative rating and is based on best available information.

MEW was established in 1989 as a partnership firm by Mr. Laxminarayan Agarwal, Mr. Devichand Agarwal and Mrs. Bharpadevi Agarwal. Later in 2000, Mr. Mukesh Mittal joined as a partner.

The firm started off by manufacturing sheet metal components. From 2011, it began the manufacture of ERW tubes that contributed around 70 per cent to total sales and the balance 30 per cent from sheet metal components. The firm has a manufacturing unit with two tube mills at Chakan in Pune (Maharashtra).

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/criteria-manufacturing.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	21.14	34.23	31.91
EBITDA	Rs. Cr.	1.65	0.48	1.97
PAT	Rs. Cr.	0.06	0.04	0.09
EBITDA Margin (%)	(%)	7.79	1.40	6.18
PAT Margin (%)	(%)	0.30	0.13	0.27
ROCE (%)	(%)	13.34	12.73	14.20
Total Debt/Tangible Net Worth	Times	1.57	1.97	2.15
PBDIT/Interest	Times	1.38	1.35	1.41
Total Debt/PBDIT	Times	3.01	3.90	3.57
Gross Current Assets (Days)	Days	190	174	171

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
06-Feb-2018	Term Loan	Long term	2.00	ACUITE B+ Issuer not co-operating*
	Cash Credit	Long term	6.00	ACUITE B+ Issuer not co-operating*
	Letter of Credit	Short Term	1.00	ACUITE A4 Issuer not co-operating*
21-Nov-2016	Term Loan	Long term	2.00	ACUITE B+/Stable (Assigned)
	Cash Credit	Long term	6.00	ACUITE B+/Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Assigned)

*The issuer did not co-operate; based on best available information.

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B+ Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE B+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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