



Press Release
Mittal Appliances Limited
January 03, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	118.50	ACUITE BBB+ Stable Upgraded	-
Bank Loan Ratings	367.00	-	ACUITE A2 Upgraded
Total Outstanding Quantum (Rs. Cr)	485.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to 'ACUITE BBB+' (read as ACUITE triple B plus) from 'ACUITE C' (read as ACUITE C) and short-term rating to 'ACUITE A2' (read as ACUITE A two) from 'ACUITE A4' (read as ACUITE A four) on the Rs. 485.50 Cr. bank facilities of Mittal Appliances Limited. The outlook is 'Stable'.

Rationale for upgrade

Acuite vide its rationale dated December 6th, 2024, basis the delays reported in servicing of auto loan obligation in the CRIF Highmark report of the company had downgraded the long term rating to ACUITE C and short term rating to ACUITE A4. As per CRIF report dated December 5th, 2024 delinquency for more than 900 days was captured towards Auto Loan availed by the company from January 2023 upto June 2024 (when account was closed). The concerned lender for the above mentioned loan confirmed that delinquency was reflected due to misreporting in the account and it did not pertain to the company. Upon notice the lender made the necessary corrections and instructed CRIF accordingly.

As per CRIF report dated December 23rd, 2024 no delays are being reflected in the quoted auto loan of the company. Acuite takes into cognizance the CRIF report which has been retrospectively revised.

Further the rating factors in the established track record of operations and experienced management, adequate liquidity as well as improvement in scale of operations of the group as reflected by increase in operating income which stood at Rs.959.21 Cr. in FY2024 as against Rs.910.65 Cr. in FY2023. However, the rating remains constrained by moderate financial risk profile marked by gearing ratio which stood at 1.87 times as on 31st March 2024 and moderately intensive working capital operations marked by GCA days of 186 days as on 31st March 2024.

About the Company

Mittal Appliances Limited is the flagship company of Mittal Group. The company was incorporated in the year 1985 as a Private Limited Company. Later, in the year 1995, the company was reconstituted as a Public Limited Company. The company is currently promoted by Mr. Dinesh Chand Mittal and Mr. Anshul Mittal. The company is engaged in manufacturing of Copper Alloy Coin Blanks, Coils, Strips made up of Copper, Nickel and Zinc which are being supplied to Government Mints for coinage purposes. The company also manufactures the Copper Alloy Strips on job work basis for Government Ordnance Factory. The manufacturing unit of the company is located at Pithampura Industrial Area, Indore, Madhya Pradesh. The company has an installed capacity for manufacturing of billets, Copper and Nickel Strips. The company also has a wind energy generator at Dewas, Madhya Pradesh for generating power captive consumption.

About the Group

Mittal Group is an Indore-Madhya Pradesh based group incorporated in the year 1907. The group is into the business of manufacturing coin blanks, coins coinage material, medals, tokens and copper rolled and alloy products. The group stands to be the first company to export minted currency coins in association with the Indian Government Mints. The product line of the group includes Rs.5.00 Nickel brass Coin Blanks, Rs.10.00 and

Rs.20.00 Bi-Metallic Composite Coin Blanks, Copper Billets, Copper Sheets, Copper Foils, Brass Foils, Medals, Token, badges, etc. The group has 13 companies. Out of which four are operationally active. The group companies are engaged in trading of steel scraps.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profiles of Mittal Appliances Limited and Mittal Coin Private Limited, together referred to as 'Mittal Group (MG)'. The consolidation is in view of the common promoters, significant operational and financial synergies within the group.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

Mittal group has an established track record of operation of more than 10 decades in the Indian Market. The group is promoted by Mittal family led by Mr. Dinesh Chand Mittal. The promoters have an experience of more than four decades in the Copper and Copper Alloy Product Industry. The extensive experience of the promoters and established track record of operation has helped the group to maintain healthy relationship with its customers and suppliers. Revenue of the group has been increasing due to healthy orders from various country's mint which is the major customer of the group. The Government releases tenders as per the requirement of coins. As this industry has limited players, probability of tender allotment is very high. Apart from these orders, the group received major portion of revenue through exports to China.

Reputed Clientele

The products of the group are extensively used for the coinage purpose. The group supplies the coin blanks majorly to the Indian and other Government Mint (export) for minting of currency coins. Besides this, the group also supplies the medals, copper billets and strips to other private entities. The other reputed clientele of the group includes name like the Indian Ordnance Factory, Royal Canadian Mint, Banco Central De Reserva Del Peru, Thai Treasury, Tata Steel and Bank of Baroda to name a few. The group has also successfully executed orders and supplied coin blanks to the government mints of countries like Argentina, Canada, France, Poland etc. Acuite believes that the group will benefit from the established client presence.

Improved Revenue and Profitability

The revenue of the group registered increase of 5.33% and stood at Rs.959.21 Cr. in FY2024 as against Rs.910.65 Cr. in FY2023. The EBITDA Margin of the group increased and stood at 5.11 % in FY2024 as compared to 3.39% in FY2023. Likewise, the PAT Margin increased to 1.46% in FY2024 from 0.82% in FY2023.

Weaknesses

Moderate Financial Risk Profile

The financial risk profile of the group is moderate, marked by the net worth of Rs.178.35 Crores in FY2024 and Rs.166.18 in FY2023. The increase in the net-worth is on an account of accretion of profits into reserves. Further, the total debt of the group stood at Rs.333.21 Crore as on 31st March 2024 as against Rs.301.66 Crore as on 31st March 2023. The capital structure of the group is marked by gearing ratio which stood at 1.87 times as on 31st March 2024 against 1.82 times as on 31st March 2023. Further, the coverage indicators of the group are reflected by interest coverage ratio and debt service coverage ratio which stood at 1.97 times and 1.78 times respectively as on 31st March 2024 as against 1.97 times and 1.68 times respectively as on 31st March 2023. The TOL/TNW ratio of the group stood at 2.22 times as on 31st March 2024 as against 2.18 times as on 31st March 2023 and DEBT-EBITDA of the group stood at 6.01 times as on 31st March 2024 as against 9.03 times as on 31st March 2023.

Moderately Intensive Working capital operations

The working capital operations of the group are moderately intensive marked by GCA days of 186 days as on 31st March 2024 as compared to 174 days as on 31st March 2023. Further, the debtor days stood at 130 days as on 31st March 2024 as compared to 76 days as on 31st March 2023. On the other hand, the creditor days stood at 26 days as on 31st March 2024 as compared to 18 days in the previous year. The inventory days of the group stood at 47 days as on 31st March 2024 as compared to 66 days as on 31st March 2023.

Rating Sensitivities

- Working capital management
- Movement in the financial risk profile

Liquidity Position

Adequate

The liquidity profile of the group is adequate with net cash accruals of Rs.22.33 Cr. as on 31st March 2024 against the debt repayment obligation of Rs.0.11 Crore over the same period. Going forward, the group is expected to generate net cash accruals under the range of Rs.25.00 Crore to Rs.29.00 Crore against the debt repayment obligations up to Rs.0.33 Crore over the same period. The current ratio of the group stood at 1.30 times as on 31st March 2024 as against 1.26 times as on 31st March 2023. Further, the cash and bank balance available with the group stood at Rs.0.82 Crore as on 31st March 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	959.21	910.65
PAT	Rs. Cr.	14.05	7.47
PAT Margin	(%)	1.46	0.82
Total Debt/Tangible Net Worth	Times	1.87	1.82
PBDIT/Interest	Times	1.97	1.97

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Dec 2024	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A4 (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	50.00	ACUITE A4 (Downgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A4 (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	51.25	ACUITE A4 (Downgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	18.75	ACUITE A4 (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	90.00	ACUITE A4 (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	15.00	ACUITE A4 (Downgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A4 (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	40.00	ACUITE A4 (Downgraded from ACUITE A2)
	Letter of Credit	Short Term	29.50	ACUITE A4 (Downgraded from ACUITE A2)
	Cash Credit	Long Term	20.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	4.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	1.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Packing Credit	Long Term	30.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	3.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	50.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	10.00	ACUITE C (Downgraded from ACUITE BBB+ Stable)
01 Apr 2024	Bank Guarantee (BLR)	Short Term	18.75	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	51.25	ACUITE A2 (Downgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	29.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	90.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	15.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	40.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	50.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)

	Cash Credit	Long Term	50.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
	Cash Credit	Long Term	4.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
	Cash Credit	Long Term	1.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
	Packing Credit	Long Term	30.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
	Cash Credit	Long Term	3.00	ACUITE BBB+ Stable (Downgraded (Negative to Stable) from ACUITE A- Negative)
02 Jan 2023	Cash Credit	Long Term	15.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- Negative (Assigned)
	Cash Credit	Long Term	4.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Negative (Reaffirmed)
	Packing Credit	Long Term	30.00	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	7.50	ACUITE A- Negative (Assigned)
	Cash Credit	Long Term	3.00	ACUITE A- Negative (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE A- Negative (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE A- Negative (Reaffirmed)
	Letter of Credit	Short Term	20.50	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	19.50	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	29.50	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	33.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	17.50	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	18.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	90.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	12.50	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	2.50	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	50.00	ACUITE A2+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
		Long		

04 Mar 2022	Cash Credit	Term	11.50	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	40.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE A- Stable (Reaffirmed)
	Letter of Credit	Short Term	20.50	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	33.75	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	18.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	45.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	120.00	ACUITE A2+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
UCO Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.75	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.50	Simple	ACUITE A2 Upgraded (from ACUITE A4)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
UCO Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.50	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	51.25	Simple	ACUITE A2 Upgraded (from ACUITE A4)
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	90.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
Kotak Mahindra Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2 Upgraded (from ACUITE A4)
ICICI Bank Ltd	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE C)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No	Company Name

1	Mittal Appliances Limited
2	Mittal Coin Private Limited

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About Acuité Ratings & Research

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