



Press Release

Maa Mangla Ispat Private Limited

December 18, 2023

Rating Reaffirmed, Withdrawn & Issuer Not Cooperating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	106.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	135.00	-	-

Rating Rationale

Acuite has **reaffirmed and withdrawn** the long term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs 29.00 Cr. and also **withdrawn** the long term rating on the Rs 106.00 Cr. proposed bank facilities of Maa Mangla Ispat Private Limited. The rating is now flagged as "Issuer Not Cooperating" based on account of information risk.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings. The withdrawal is on account of the request received from the company and the No Objection Certificate (NOC) received from State Bank of India. However, the banker has provided their feedback that the conduct of the account is satisfactory.

About the Company

Incorporated in 2004, Maa Mangla Ispat Private Limited (MMIPL) is a subsidiary of B. R. Sponge & Power Private Limited and currently promoted by Mr. Harshvardhan Garg, Mr. Shashank Garg and Mr. Rohit Agarwal. The company has an installed capacity of 60,000 metric tonne per annum (MTPA) for manufacturing sponge iron, with facility located in Raigarh.

About the Group

Incorporated in 2003, B. R. Sponge & Power Limited (BR SPL), is engaged in manufacturing of sponge iron and promoted by Mr. Harshvardhan Garg, Mr. Shashank Garg and Mr. Rohit Agarwal. The manufacturing unit of the company is located at Rajamunda, Dist-Sundargarh, Rourkela, Odisha with an installed capacity of 60000 metric tons per annum (MTPA). It acquired the sick unit of MMIPL in 2016.

In 2018, B. R. Sponge & Power Limited (BR SPL) also acquired another sick unit-Maa Shakambari Steel Limited (MSSL), which is also engaged in the manufacturing of sponge iron and MS ingots. Its manufacturing facility is located at the village of Sambalpuri in the Raigarh district of Chhattisgarh. The installed capacities of sponge iron and MS ingots are 60,000 MTPA and 30,000 MTPA respectively.

Unsupported Rating

Not Applicable

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 the due date. Acuité believes that information risk is a critical

component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 ratings based.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

All Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	507.08	468.58
PAT	Rs. Cr.	61.52	46.29
PAT Margin	(%)	12.13	9.88
Total Debt/Tangible Net Worth	Times	0.61	0.23
PBDIT/Interest	Times	21.57	24.09

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
12 Oct 2023	Proposed Bank Facility	Long Term	106.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	26.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Covid Emergency Line	Long Term	3.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
02 Aug 2022	Covid Emergency Line	Long Term	3.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	26.00	ACUITE BBB Stable (Assigned)
	Proposed Bank Facility	Long Term	106.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	26.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
State Bank of India	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	106.00	Not Applicable Withdrawn

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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