



## Press Release

### Millenium Steel India Private Limited

**August 23, 2022**

#### **Ratings**

<b>Facility</b>	<b>Amount (Rs. crore)</b>	<b>Rating</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Bank Facility	9.00	IVR B+ (ISSUER NOT COOPERATING*) (IVR Single B plus Issuer Not Cooperating)	Revised and migrated to the 'Issuer Not Cooperating' category	Simple
Short Term Bank Facility	16.00	IVR A4 (ISSUER NOT COOPERATING*) (IVR A Four Issuer Not Cooperating)	Migrated to the 'Issuer Not Cooperating' category	Simple
<b>Total</b>	<b>25.00 (INR twenty five crore only)</b>			

*\*Issuer did not cooperate; based on best available information*

#### **Details of Facility are in Annexure 1**

#### **Detailed Rationale**

The rating revision is because of lack of adequate information regarding Millenium Steel India Private Limited's (MSIPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

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 company.

#### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities of the company, vide E-mail communications dated April 08, 2022, May 30, 2022, July 14, 2022, August 01, 2022, August 02, 2022, August 04, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.



## Press Release

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term rating for the bank loan of MSIPL aggregating to Rs.9.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+; Issuer Not Co-operating; Based on best available information (IVR Single B plus; Issuer Not Co-operating; Based on best available information) and short-term rating for the bank facilities of MSIPL aggregating to Rs.16.00 crore shall also be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR A4; Issuer Not Cooperating; Based on the best available information (IVR A Four; Issuer Not Co-operating; Based on best available information).

**Analytical Approach & Applicable Criteria:** Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

### **About the company**

Tamil Nadu-based, Millenium Steel India Pvt Ltd (MSIPL) was incorporated on 9th February 2005 by Mr. Hariprasad Reddy Duvvuru along with Mrs. Jyothi Duvvuru and Mr. Hemanth Kumar Reddy. The company commenced its operations as a trading organisation in two verticals i.e., Steel and Coal. The company mainly deals in construction related TMT bars and other related iron steel products which is procured locally and supplied to traders, builders and developers in construction industry. MSIPL has branches in Chennai, Nellore, Chittoor, Bangalore and Ernakulum.

### **Financials (Standalone)**

For the year ended* / As On	(Rs. Crore)	
	31-03-2020	31-03-2021
	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	103.68	75.57
EBITDA	2.83	1.74
PAT	0.96	0.71
Total Debt	6.48	5.08



## Press Release

Tangible Net worth	10.22	10.93
EBITDA Margin (%)	2.73	2.31
PAT Margin (%)	0.92	0.94
Overall Gearing Ratio (x)	0.63	0.46

\* As per Infomerics Standard, #Tax for FY21 has not been considered in the PAT

### Status of non-cooperation with previous CRA:

The rating was maintained at issuer non cooperating category by Crisil Ratings as per PR dated January 28, 2022, and from Care Edge Ratings as per PR dated June 06, 2022, due to non-submission of information.

**Any other information:** Nil

### Rating History for last three years:

Sr . N o.	Name of Instrumen t/Facilitie s	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstandi ng (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	4.25	IVR B+ ISSUER NOT COOPERATI NG*	IVR BB-/ Stable (June 09, 2021)	-	-
2.	Letter of Credit/BG	Short Term	16.00	IVR A4 ISSUER NOT COOPERATI NG*	IVR A4 Stable (June 09, 2021)	-	-
3.	Proposed Cash Credit	Long Term	4.75	IVR B+ ISSUER NOT COOPERATI NG*	IVR BB-/ Stable (June 09, 2021)	-	-

\* Issuer did not cooperate; based on best available information

### Name and Contact Details of the Rating Analyst:

Name: Mr. Samyadeep Roy Tel: (033) 46022266 Email: <a href="mailto:samyadeep.roy@infomerics.com">samyadeep.roy@infomerics.com</a>	Name: Mr. Avik Poddar Tel: (033) 46022266 Email: <a href="mailto:apodder@infomerics.com">apodder@infomerics.com</a>
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## Press Release

### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com)

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits - Cash Credit	-	-	-	4.25	IVR B+ (ISSUER NOT COOPERATING*)



## Press Release

Short Term Fund Based Limits – Letter of Credit/BG	-	-	-	16.00	IVR A4 (ISSUER NOT COOPERATING*)
Proposed Long Term Fund Based Limits - Cash Credit	-	-	-	4.75	IVR B+ (ISSUER NOT COOPERATING*)

*\*Issuer did not cooperate; based on best available information*

**Annexure 2: Facility wise lender details: Not Applicable**

**Annexure 3: List of companies considered for consolidated analysis: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).