

August 12, 2024

## M S Metals & Steels Pvt Ltd: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term / Short Term-Fund Based-Cash Credit	25.00	25.00	[ICRA]A- (Stable)/[ICRA]A2+; Withdrawn
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of M S Metals & Steels Pvt Ltd (MSM or company) at the request of the company and based on the No Objection Certificate received from the banker, and in accordance with ICRA's policy on withdrawal. ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed.

While ICRA came across publicly available information on August 1, 2024 regarding the proposed organization restructuring of the company with slump sale of trading business and addition of new manufacturing capacity, ICRA is unable to review the impact of this development because of non-receipt of information from the company.

The Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link:

[Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Iron &amp; Steel</a> <a href="#">Policy on withdrawal of credit ratings</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on standalone financial statements of the rated entity.

### About the company

MSM was incorporated in 2004 by the Mehta family of the MTC Group. The company is involved in trading of ferrous and non-ferrous scrap and caters to the metal scrap requirements largely of automobile foundries and steel mills in southern India, mainly in Bangalore, Hyderabad, and Chennai. It also manufactures TMT bars, billets, and sponge iron.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Current (FY2025)			Chronology of rating history for the past 3 years						
			FY2025	FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	Aug 12, 2024	Date	Rating	Date	Rating	Date	Rating
Fund based limits- Cash Credit	Long-term/Short-term	25.00	[ICRA]A-(Stable)/[ICRA]A2+; Withdrawn	16-Aug-23	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short -term – Fund based limits- Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based limits- Cash Credit	-	-	-	25.00	[ICRA]A-(Stable)/[ICRA]A2+; withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis – Not Applicable

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## About ICRA Limited:

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