



Press Release

Mahalakshmi Spintex Private Limited

April 05, 2024

Ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank facilities	25.77	IVR BB-/ Negative; INC* (IVR Double B minus with Negative outlook; Issuer not cooperating)	IVR BB/Stable (IVR Double B with Stable outlook)	Downgraded and moved to Issuer not cooperating category	Simple
Short Term bank facilities	4.00	IVR A4; INC* (IVR A Four; Issuer not cooperating)	IVR A4 (IVR A four)	Reaffirmed and moved to Issuer not cooperating category	Simple
Total	29.77	(Rupees Twenty-Nine Crore Seventy-Seven lakhs only)			

* Issuer not cooperating; Based on best available information

**Details of Facilities are in Annexure 1

Ratings

The rating has been downgraded and migrated to 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

Detailed Rationale

The aforesaid rating downgrade to the bank facilities of Mahalakshmi Spintex Private Limited reflects lack of adequate information available about the performance of the company/entity and the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



Press Release

Infomerics Valuation and Rating Private Limited (IVR) had rated the bank loan facilities of Mahalakshmi Spintex Private Limited in February 2023. Despite close follow up through telephone calls and mails dated January 2, 2024; January 18, 2024; January 31, 2024; February 12, 2024; February 19, 2024; February 21, 2024, and March 22, 2024, and concurrently over several phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company. Based upon the same, Infomerics Valuation and Rating Private Limited (IVR) has downgraded and migrated the rating to 'IVR BB-/Negative/ISSUER NOT COOPERATING' for long term bank facilities and 'IVR A4 / ISSUER NOT COOPERATING' for short term bank facilities of Mahalakshmi Spintex Private Limited.

Non-cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics Valuation and Rating Private Limited has to assign the rating based on the best available information. Accordingly, the long-term bank loan facilities of Mahalakshmi Spintex Private Limited, aggregating to Rs 25.77 crore have been migrated to the 'ISSUER NOT COOPERATING' category by Infomerics Valuation and Rating Private Limited and the rating for long term be noted as 'IVR BB-/Negative; ISSUER NOT COOPERATING' and short-term bank loan facilities of Mahalakshmi Spintex Private Limited, aggregating to Rs 4.00 crore have been migrated to the 'ISSUER NOT COOPERATING' category by Infomerics Valuation and Rating Private Limited and the rating for short term be noted as 'IVR A4; ISSUER NOT COOPERATING' based on best available information.

Analytical Approach: Standalone



Press Release

Applicable Criteria:

[Rating Methodology for Manufacturing companies](#)

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

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

[Criteria of assigning Rating Outlook](#)

[Criteria for default-recognition](#)

About the Company

Mahalakshmi Spintex Pvt Ltd started its operations in 2000 and is located in Baddi (H.P). The company is mainly into manufacturing of high end Recycled Polyester fibre ranging from 1.5 to 15 Deniers both in Silicon and non-Silicon grade in various colours and different cut length as per client's requirements. The company supplies Polyester fibre to various non-woven carpet manufacturers making carpets for Auto Sector OEM like Toyota, Suzuki Maruti, HYUNDAI, TELCO, and HONDA and also to Textile manufacturing companies. Company has fully automatic manufacturing facilities for producing high-grade fiber and testing laboratories for quality control with a capacity of 28000 MTPA.

Financials: Standalone

For the year ended* / Rs. Crore	(Rs. Crore)	
	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	86.95	162.59
EBITDA	5.27	5.63
PAT	0.67	1.64
Total Debt	24.37	31.53
Tangible Net Worth	14.30	16.14
Ratios		
EBITDA Margin (%)	6.06	3.46
PAT Margin (%)	0.77	1.00
Overall Gearing Ratio (x)	1.70	1.95
Interest Coverage Ratio (x)	2.53	3.34

**Classification as per Infomerics` standards*

Status of non-cooperation with previous CRA – None

Any other information: Not Applicable



Press Release

Rating History for the last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (February 13, 2023)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	7.77	IVR BB-/ Negative; INC*	IVR BB/Stable	--	--
2.	Cash Credit	Long Term	18.00	IVR BB-/ Negative; INC*	IVR BB/Stable	--	--
3.	ILC\FLC	Short Term	4.00	IVR A4; INC* (IVR A Four; Issuer not cooperating)	IVR A4 (IVR A four)	--	--

* Issuer did not cooperate (INC); based on best available information.

Name and Contact Details of the Rating Analyst:

Name: Vipin Jindal
Tel: (011) 45579024
Email: vipin.jindal@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as an External Credit Assessment Institution after obtaining registration from the Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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



Press Release

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit 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 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan - I	--	--	FY26	0.92	IVR BB-/ Negative; INC*
Term Loan – II	--	--	FY26	1.33	IVR BB-/ Negative; INC*
Term Loan - III	--	--	FY28	2.52	IVR BB-/ Negative; INC*
Term Loan - IV	--	--	FY26	0.48	IVR BB-/ Negative; INC*
Term Loan - GECL	--	--	FY31	2.52	IVR BB-/ Negative; INC*
Cash Credit	--	--	--	18.00	IVR BB-/ Negative; INC*
ILC/FLC	--	--	--	4.00	IVR A4; INC*

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

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility-wise lender details:

<https://www.infomerics.com/admin/prfiles/len-MSPL-apr24.pdf>

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



Press Release

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.

