

## Meenar Industries Limited

August 01, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	10.22	<b>CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Long Term / Short Term Bank Facilities	1.78	<b>CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable / CARE A4; (Single B ; Outlook: Stable / A Four)
<b>Total Facilities</b>	<b>12.00 (Rs. Twelve Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 14, 2021, placed the rating(s) of Meenar Industries Limited (MIL) under the 'issuer non-cooperating' category as MIL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 30, 2022, May 10, 2022, May 20, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of MIL have been revised on account of non-availability of requisite information. The rating also considers significant decline in scale of operations in FY21 as compared to FY20 and net loss reported in FY21.

### Detailed description of the key rating drivers

Please refer to PR dated [June 14, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Meenar Industries Limited (MIL) was incorporated in 2007, by key directors Mr. Nesar Alam and Mr. Aftab Alam. MIL is engaged in the manufacturing polyester yarn and trading of sarees. Company has manufacturing unit in Uttar Pradesh and the commercial operations of the company started in 2015.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	37.34	6.63	NA	NA
PBILDT	3.57	-0.86	NA	NA
PAT	0.02	-3.98	NA	NA
Overall gearing (times)	0.92	1.09	NA	NA
Interest coverage (times)	3.44	NM	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available; NM: Not Meaningful

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE publications

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

**Status of non-cooperation with previous CRA:** ICRA continues to categorize rating assigned to the bank facilities of MIL under non-cooperation category vide PR dated July 23, 2021 on account of its inability to carry out a rating surveillance in the absence of the requisite information from the company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Please refer Annexure 3

**Complexity level of various instruments rated for this Company:** Please refer Annexure 4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	April 2020	5.92	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	4.30	CARE B-; Stable; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	1.78	CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	5.92	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (14-Jun-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (08-Apr-20)	1)CARE BB-; Stable (14-May-19)
2	Fund-based - LT-Cash Credit	LT	4.30	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (14-Jun-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (08-Apr-20)	1)CARE BB-; Stable (14-May-19)
3	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	1.78	CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE B; Stable / CARE A4; ISSUER NOT COOPERATING* (14-Jun-21)	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (08-Apr-20)	1)CARE BB-; Stable / CARE A4 (14-May-19)

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

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. This classification is available at [www.careedge.in](http://www.careedge.in). Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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