

Mahip Industries Limited

August 10, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	23.72	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; (Single B Minus)
Total Bank Facilities	23.72 (₹ Twenty-Three Crore and Seventy- Two Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated December 16, 2021, had reviewed the rating(s) of Mahip Industries Limited (MIL) under the 'issuer non-cooperating' category as MIL had failed to provide information for monitoring of the rating. MIL continues to be non-cooperative. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on MIL bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

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 rating assigned to the bank facilities of MIL have been revised on account of delays in debt servicing as qualified by auditor in Auditor's report of FY21.

Detailed description of the key rating drivers

(updated based on best available information which is exchange filings for FY21 results)

Key rating weaknesses

On-going delays in debt servicing

MIL has published its FY21 results on August 08, 2022 wherein the auditor has qualified the audit report and there are ongoing delays in debt servicing and its bank account has been classified as NPA. Audit report states that company has not made provision on its NPA accounts of banks.

Liquidity:-Poor

Liquidity is poor marked by on-going delays in debt servicing.

Analytical approach:- Standalone

Applicable criteria

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

[Policy on default recognition](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy On Curing Period](#)

[Rating Outlook and Credit Watch](#)

[Manufacturing Companies](#)

About the company

MIL (CIN No. U15549GJ1995PLC028116) was promoted as Care Beverages (India) Ltd. in 1995 by Mr. Rajiv Agrawal & his family members. Subsequently, its name was changed to Care Corupack Ltd. in 2001 and to Mahip Industries Ltd. (listed on BSE SME, Quote No. 542503) in 2018. MIL is engaged in manufacturing of corrugated boxes, stiffeners, plates and rolls. Its manufacturing unit is located near Dholka-Bagodara highway in Gujarat.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	June 30, 2022
Total operating income	8.36	NA	NA
PBILDT	-16.69	NA	NA
PAT	-18.43	NA	NA
Overall gearing (times)	2.55	NA	NA
Interest coverage (times)	NM	NA	NA

A: Audited; Prov: Provisional; NM:- Not meaningful; NA: Not Available

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Brickwork Ratings have reviewed the ratings assigned to the bank facilities of Mahip Industries Limited under 'Issuer Not Co-operating' Category vide its press release dated January 07, 2022. India Ratings and Research have reviewed the ratings assigned to the bank facilities of Mahip Industries Limited under 'Issuer Not Co-operating' Category vide its press release dated July 16, 2021.

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	-	1.64	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	17.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	-	5.08	CARE D; ISSUER NOT COOPERATING*

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	1.64	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B-; ISSUER NOT COOPERATING* (16-Dec-21)	1)CARE B-; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE B+; ISSUER NOT COOPERATING* (25-Nov-19) 2)CARE BB-; ISSUER NOT COOPERATING* (18-Jun-19)
2	Fund-based - LT-Cash Credit	LT	17.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B-; ISSUER NOT COOPERATING* (16-Dec-21)	1)CARE B-; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE B+; ISSUER NOT COOPERATING* (25-Nov-19) 2)CARE BB-; ISSUER NOT COOPERATING* (18-Jun-19)
3	Fund-based - LT-Term Loan	LT	5.08	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B-; ISSUER NOT COOPERATING* (16-Dec-21)	1)CARE B-; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE B+; ISSUER NOT COOPERATING* (25-Nov-19) 2)CARE BB-; ISSUER NOT COOPERATING* (18-Jun-19)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/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

Annexure-5: Bank lender details for this companyTo view the lender wise details of bank facilities please [click here](#)**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media contact

Name: Mradul Mishra
Phone: +91-22-6754 3596
E-mail: mradul.mishra@careedge.in

Analyst contact

Name: Akhil Goyal
Phone: 8511190015
E-mail: akhil.goyal@careedge.in

Relationship contact

Name: Deepak Purshottambhai Prajapati
Phone: +91-79-4026 5656
E-mail: deepak.prajapati@careedge.in

About us:

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