

Mayur Leather Products Limited

November 5, 2019

Ratings

Facility/Instrument	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	0.66	CARE D (Single D)	Revised from CARE C (Single C)
Long-term/Short Term Bank Facilities	8.00	CARE D/CARE D (Single D/Single D)	Revised from CARE C/CARE A4(Single C/A Four)
Short term Bank Facilities	1.05	CARE D (Single D)	Revised from CARE A4(A Four)
Total facilities	9.71 (Rupees Nine Crore Seventy One Lakh only)		

Details of facilities in Annexure-1

Detailed Rationale & Key rating Drivers

The revision in the ratings of Mayur Leather Products Limited (MLPL) takes into account ongoing delay in debt servicing.

Rating Sensitivities

Positive Factors

- Clear all overdue with timely repayment of debt obligation for continuous three months

Key Rating Weaknesses

Delay in debt servicing owing to poor liquidity position

It has registered continuous net loss as well as cash loss which lead to deterioration of liquidity position. As per banker interaction, there is ongoing delay in in debt servicing.

Analytical approach: Consolidated

Applicable Criteria

Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Short term Instruments

Rating Methodology-Manufacturing Companies

Financial ratios – Non-Financial Sector

About the Company

Jaipur (Rajasthan) based MLPL was formed in 1987 by Mr. Rajender Singh Poddar. The company is engaged in manufacturing and export of leather shoe and shoe uppers. The company has its manufacturing facility located at Jaipur, Rajasthan and exports its products to Europe, Middle East and Canada

Brief Financials (Rs. crore)	FY18(A)	FY19A)
Total operating income	21.13	15.70
PBILDT	-1.78	-1.33
PAT	-2.91	-2.52
Overall gearing (times)	0.81	0.93
Interest coverage (times)	-1.57	-1.64

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	February 2022	0.66	CARE D
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	8.00	CARE D / CARE D
Fund-based - ST-Standby Line of Credit	-	-	-	0.80	CARE D
Non-fund-based - ST-Bank Guarantees	-	-	-	0.25	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	0.66	CARE D	1)CARE C (26-Jul-19)	-	-	-
2.	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	8.00	CARE D / CARE D	1)CARE C / CARE A4 (26-Jul-19)	-	-	-
3.	Fund-based - ST-Standby Line of Credit	ST	0.80	CARE D	1)CARE A4 (26-Jul-19)	-	-	-
4.	Non-fund-based - ST-Bank Guarantees	ST	0.25	CARE D	1)CARE A4 (26-Jul-19)	-	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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