

Mayur Leather Products Limited

December 21, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	0.66	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	8.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.05	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	9.71 (Rs. Nine Crore and Seventy- One Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Mayur Leather Products Limited (MLPL) to monitor the rating(s) vide e-mail communications dated May 21, 2020, May 25, 2020, June 08, 2020, June 24, 2020, July 08, 2020 and July 20, 2020, August 05, 2020, September 30, 2020 and October 20, 2020 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. 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 rating on MLPL bank facilities will now be denoted as **CARE D/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).

Detailed description of the key rating drivers

At the time of last rating on November 05, 2019 the following were the rating strengths and weaknesses (Updated for the information available from Stock Exchange)

Key Rating Weaknesses

Irregularity in debt servicing

It has registered continuous net loss as well as cash loss which lead to deterioration of liquidity position. Further, there were delays in debt servicing.

Analytical approach: Standalone

Applicable Criteria

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Criteria for Short Term Instruments](#)

[CARE's Policy on Default Recognition](#)

[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 and exports its products to Europe, Middle East and Canada.

Brief Financials (Rs. crore)	FY19(A)	FY20(A)
Total operating income	14.37	11.23
PBILDT	-1.32	-2.48
PAT	-2.52	-1.17
Overall gearing (times)	0.94	1.00
Interest coverage (times)	-1.56	-3.03

*(A; Audited)

Status of non-cooperation with previous CRA: None.

Any other information: None

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

Covenants of rated instrument / facility: 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	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; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	8.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based - ST- Standby Line of Credit	-	-	-	0.80	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	0.25	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	0.66	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Nov-19) 2)CARE C (26-Jul-19)	-	-
2.	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	8.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D (05-Nov-19) 2)CARE C / CARE A4 (26-Jul-19)	-	-
3.	Fund-based - ST-Standby Line of Credit	ST	0.80	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Nov-19) 2)CARE A4 (26-Jul-19)	-	-
4.	Non-fund-based - ST-Bank Guarantees	ST	0.25	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Nov-19) 2)CARE A4 (26-Jul-19)	-	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities-N/A

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3.	Fund-based - ST-Standby Line of Credit	Simple
4.	Non-fund-based - ST-Bank Guarantees	Simple

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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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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