

January 05, 2024

Mohindra Fasteners Limited: Rating Moved to Issuer Non-Cooperating Category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund-based – Cash Credit	19.00	19.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Short Term – Non-Fund-based – Letter of Credit	20.00	20.00	[ICRA]A3+ ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Long term – Fund-based – Term Loan	21.00	21.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Total	60.00	60.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of **Mohindra Fasteners Limited** in the ‘Issuer Not Cooperating’ category. The rating is denoted as “[ICRA]BBB(Stable)/[ICRA]A3+ ISSUER NOT COOPERATING”.

The rating is based on limited cooperation from the entity since the time it was last rated in April 2023. As a part of its process and in accordance with its rating agreement with **Mohindra Fasteners Limited**, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite cooperation and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MFL as detailed in Annexure II.

About the company

Incorporated in 1995, MFL manufactures high-tensile fasteners for the automobile industry and industrial applications. It manufactures various types of hot and cold-forged fasteners, i.e., screws, studs and bolts, etc., at its four manufacturing facilities at Rohtak (Haryana). In addition to catering to the domestic market, MFL derives more than half of its total revenues from exports to Europe and North America.

The company is listed on the Metropolitan Stock Exchange (MSE).

In 6M FY2024, the company has achieved revenues of Rs. 88.61 crore over Rs. 73.77 crore in 6M FY2023. MFL posted operating margins of 13.62% in 6M FY2024 over 10.64% in 6M FY2023.

Key financial indicators (audited)

	FY2022	FY2023	H1 FY2024*
Operating income (Rs. crore)	136.8	172.1	88.6
PAT (Rs. crore)	12.4	15.3	6.7
OPBDITA/OI (%)	12.5%	13.2%	13.6
PAT/OI (%)	9.1%	8.9%	7.6
Total outside liabilities/Tangible net worth (times)	0.7	0.8	0.7
Total debt/OPBDITA (times)	1.7	1.6	1.6
Interest coverage (times)	23.0	11.4	7.6

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore, *Provisional figures

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
				Date & Rating in		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
				Jan 05, 2024	06-Apr-23	29-Sep-22	11-Oct-21	18-Aug-20	
1 Cash Credit	Long-term	19.00	-	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	
2 Letter of Credit	Short-term	20.00	-	[ICRA]A3+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	
3 Term Loans	Long-term	21.00	19.98	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	-	-	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based - Cash Credit	Simple
Short-term - Non-fund-based - Letter of Credit	Very simple
Long-term – Fund-based - Term Loans	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long-term – Fund-based - Cash Credit	NA	NA	NA	19.00	[ICRA]BBB(Stable); ISSUER NOT COOPERATING
NA	Short-term - Non-fund-based - Letter of Credit	NA	NA	NA	20.00	[ICRA]A3+; ISSUER NOT COOPERATING
NA	Long-term – Fund-based - Term Loans	FY2023	NA	FY2029	21.00	[ICRA]BBB(Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis:

Company Name	MFL Ownership	Consolidation Approach
Mohindra Fasteners Limited	100% (rated entity)	Full Consolidation
KK Mohindra Fastenings Private Limited	49%	Full Consolidation

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About ICRA Limited:

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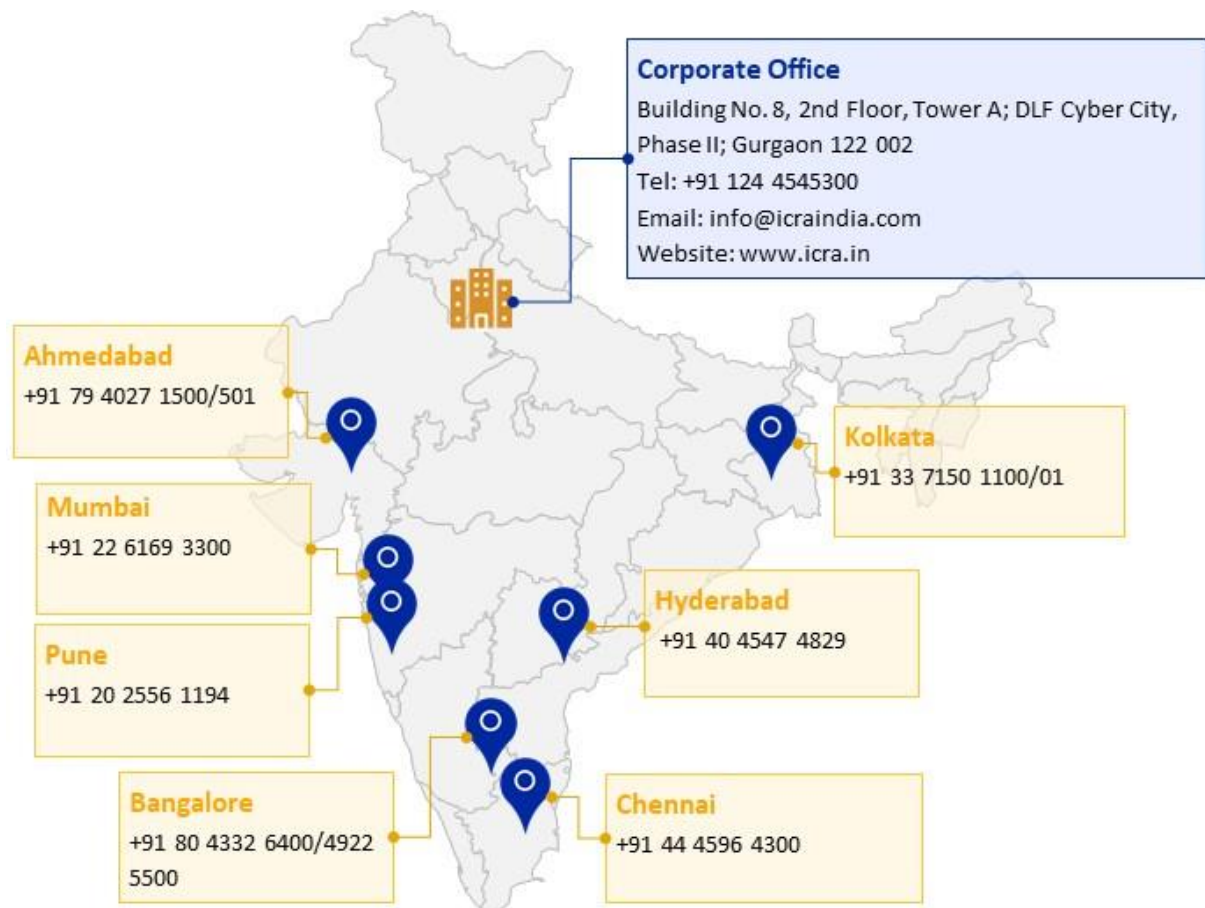
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