

July 11, 2024

Mohindra Fasteners Limited: Ratings removed from 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); rating removed from Issuer Not Cooperating category
Short Term – Non-Fund Based – Letter of Credit	20.00	20.00	[ICRA]A3+; rating removed from Issuer Not Cooperating category
Long Term – Fund Based – Term Loan	21.00	21.00	[ICRA]BBB (Stable); rating removed from Issuer Not Cooperating category
Total	60.00	60.00	

*Instrument details are provided in Annexure-I

ICRA has removed the earlier ratings of [ICRA]BBB (Stable)/ [ICRA]A3+; Issuer Not Cooperating for the bank facilities of Mohindra Fasteners Limited from the Issuer Not Cooperating category as the company has now started cooperating based on fee. The company's ratings were moved to the Issuer Not Cooperating category in January 2024. The ratings are now denoted as [ICRA]BBB (Stable)/ [ICRA]A3+.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
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 produces various types of hot forged and cold forged fasteners, including screws, studs and bolts, etc., at its four manufacturing facilities in Rohtak (Haryana). Besides 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).

Key financial indicators (audited)

	FY2023	FY2024*
Operating income	172.1	177.5
PAT	15.3	15.9
OPBDIT/OI	13.2%	15.14%
PAT/OI	8.9%	8.96%
Total outside liabilities/Tangible net worth (times)	0.8	0.64
Total debt/OPBDIT (times)	1.6	1.4
Interest coverage (times)	11.4	8.9

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022
			July 11, 2024	Jan 05, 2024	06-Apr-23	29-Sep-22	11-Oct-21
1 Cash Credit	Long-term	19.00	[ICRA]BBB (Stable)	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Letter of Credit	Short-term	20.00	[ICRA]A3+	[ICRA]A3+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+
3 Term Loans	Long-term	21.00	[ICRA]BBB (Stable)	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	-	-

Complexity level of the rated instruments

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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Fund-based - Cash Credit	NA	NA	NA	19.00	[ICRA]BBB(Stable)
NA	Short-term - Non- fund-based - Letter of Credit	NA	NA	NA	20.00	[ICRA]A3+
NA	Long-term – Fund-based - Term Loans	FY2023	NA	FY2029	21.00	[ICRA]BBB(Stable)

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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