

October 16, 2017

Mohan Spintex India Limited

Summary of rated instruments

Instruments*	Amount (Rs. crore)	Rating action
Term Loans	219.26	[ICRA]BBB (Stable); Withdrawn
Cash Credit Limits	105.00	[ICRA]BBB (Stable); Withdrawn
Non-fund based limits	11.74	[ICRA]A3+; Withdrawn
Total limits	336.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of [ICRA]BBB (pronounced ICRA triple B) and short-term rating of ICRA A3+ (pronounced ICRA A three plus) outstanding on the Rs. 336.00-crore bank facilities of Mohan Spintex India Limited (MSIL).

Rationale

The rating for the Rs 336.00- crore bank facilities of MSIL have been withdrawn at the request of the company and on the basis of no objection certificates from the banks.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[ICRA Policy on Withdrawal and Suspension of credit ratings](#)

About the company:

MSIL incorporated as public limited company in May 2005, is engaged in manufacturing of diverse count compact, combed and carded variety of 100% cotton yarn. Based in Krishna district of AP, MSIL started its commercial production in October 2006 with 14,400 spindles, which has been expanded over the years to 112368 spindles as on April 2015. MSIL also has open-ended (OE) spinning capacity of 4,576 rotors, two-for-one (TFO-Doubling of yarn to give it better strength), a Twister capacity of 1,920 drums and ginning capacity of 36 gins. The chief promoter Mr. V. Mohan Rao is the Chairman of the company. The operations of MSIL are currently managed by his son Mr V. Sudhakar Chowdary, an engineer graduate who is the manager director of the company.

Status of non-cooperation with previous CRA: CRISIL Ltd. had suspended CRISIL BB+ (Stable) and CRISIL A4+ ratings assigned to the bank facilities of Mohan Spintex India Limited on December 17, 2014. The suspension of ratings was on account of non-cooperation by the company.

Any other information: Not applicable

Rating history for last three years:
Table:

S. No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years
		Type	Rated amount (Rs. Crores)	Month-year & Rating	Month- year & Rating in FY2017
				October 2017	September 2016
1	Term Loans	Long-term	219.26	[ICRA]BBB (stable); Withdrawn	[ICRA]BBB (stable)
2	Cash Credit	Long-term	105.00	[ICRA]BBB (stable); Withdrawn	[ICRA]BBB (stable)
3	Non-fund based limits	Short-term	11.74	[ICRA]A3+; Withdrawn	[ICRA]A3+

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

Instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Crore)	Current Rating and Outlook
Term Loans	-	-	Ranging from FY2018 to FY2026	219.26	[ICRA]BBB (stable)
Cash Credit	-	-	-	105.00	[ICRA]BBB (stable)
Non-fund based facilities	-	-	-	11.74	[ICRA]A3+

Source: MSIL

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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