

Mutual Industries Limited

December 19, 2017

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper	25.00	25.00	[ICRA]A1+ on watch with developing implications; Withdrawn
Total	25.00	25.00	

Rating action

ICRA has withdrawn the short -term rating of [ICRA]A1+ (pronounced ICRA A one plus) on watch with developing implications, assigned to the Rs. 25.00 crore commercial paper (CP) programme of Mutual Industries Limited (MIL or the company) at the request of MIL as the rated CP has been fully redeemed.

Rationale

The rating assigned to the Rs 25.00 crore CP has been withdrawn, as there is no amount outstanding against the rated CP limit. The withdrawal is in accordance with ICRA's policy on withdrawal and suspension, and is done on the basis of withdrawal request received from the company and no objection received from the Issuer and Paying Agent (IPA) for withdrawal of the rating.

Outlook: Not Applicable

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:

Mutual Industries Limited (MIL) is engaged in manufacturing of injection moulded plastic articles, moulds, dies and decorative plastic parts, largely for automotive sector. Established in 1979 as a partnership firm and later converted to public limited company in 1990, MIL is promoted by Late Mr. J.M. Gandhi and Mr. D.K. Gandhi. The company has four component manufacturing plants – two in Pune (Maharashtra) and one each in Silvassa (Dadra & Nagar Haveli) and Pantnagar (Uttaranchal), in addition to the mould design and manufacturing facility in Vasai (Thane, Mumbai).

MIL's board of directors, has approved a scheme of demerger as per which the manufacture of moulds and manufacture of plastic moulded components for automotive industry will be demerged into two separate entities (referred as resulting companies) while the non-auto plastic moulded component business will be retained by Mutual Industries Limited (referred as MIL or Demerged company). The approval from National Company Law Tribunal (NCLT) for the demerger scheme is awaited.

Key Financial Indicators (Audited)

	FY 2016	FY 2017
Operating Income (Rs. crore)	312.26	330.77
PAT (Rs. crore)	22.61	36.06
OPBDIT/ OI (%)	18.11%	19.94%
RoCE (%)	19.41%	26.97%
Total Debt/ TNW (times)	0.30	0.31
Total Debt/ OPBDIT (times)	0.78	0.74
Interest coverage (times)	11.41	15.56
NWC/ OI (%)	4%	8%

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2018)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
1 Commercial Paper	Short Term	25.00*	Nil	Dec 2017 [ICRA]A1+ on watch with developing implications; withdrawn	Sep 2017 [ICRA]A1+ on watch with developing implications	Sep 2016 [ICRA]A1+	Sep 2015 [ICRA]A1+

* Only Rs 15.00 crore was issued out of the rated limit which has been fully redeemed while Rs 10.00 crore has remained unissued till date

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

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Commercial Paper	NA	NA	NA	15.00	[ICRA]A1+ on watch with developing implications; Withdrawn
-	Commercial paper	Unissued	-	-	10.00	

Source: Mutual Industries Limited

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