

April 30, 2020

Mridul International Private Limited (Erstwhile Mridul Enterprises): Continue to remain under Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments:

Instrument[^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	1.58	1.58	[ICRA]B+ (Stable) Issuer Not Cooperating; Rating downgraded from [ICRA]BB+(Stable) and continue to remain under 'Issuer Not Cooperating' category
Short Term – Fund Based	19.00	19.00	[ICRA]A4 Issuer Not Cooperating; Rating downgraded from [ICRA]A4+ and continue to remain under 'Issuer Not Cooperating' category
Short Term – Non Fund Based	4.87	4.87	[ICRA]A4 Issuer Not Cooperating; Rating downgraded from [ICRA]A4+ and continue to remain under 'Issuer Not Cooperating' category
Long term/Short Term Unallocated	8.33	8.33	[ICRA]B+ (Stable)/A4 Issuer Not Cooperating; Rating downgraded from [ICRA]BB+(Stable)/A4+ and continue to remain under 'Issuer Not Cooperating' category
Total	34.28	34.28	

Rationale

The ratings downgrade is because of lack of adequate information Mridul International Private Limited (Erstwhile Mridul Enterprises)'s performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Mridul International Private Limited (Erstwhile Mridul Enterprises), ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Mridul International Private Limited (Erstwhile Mridul Enterprises), MIPL is engaged in the manufacture and export of home textiles and other furnishing products. Constituted as a partnership company, it commenced commercial operations in 1986 with manufacturing facilities located in Noida. The company's product portfolio primarily includes quilts, table linen, bed linen besides other ancillary home textile items like cushions, cushion covers, bedspreads etc. Although the company's product range is concentrated on textile items; it does manufacture some leather furnishings as well but only for the purpose of offering an entire gamut of products to its customers and do not constitute a very large proportion of Mridul's portfolio. The products are mainly headed for the export markets in the United States, United Kingdom and other European countries with the company being a supplier to various leading stores like Pottery Barn; Euro Market; Mamas and Papas; Zara and others. The constitution of the company was changed from firm to Private Limited w.e.f. 1st July 2014

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not applicable

Key financial Indicators - (Audited)

	FY2017	FY2018
Operating Income (Rs. crore)	79.22	78.58
PAT (Rs. crore)	0.35	0.26
OPBDIT/OI (%)	5.39%	5.73%
RoCE (%)	6.55%	6.53%
Total Outside Liabilities/Tangible Net Worth (times)	1.96	2.08
Total Debt/OPBDIT (times)	4.18	4.58
Interest Coverage (times)	3.45	2.47
DSCR	1.62	1.60

Source: Previous Report

Rating history for past three years

All figures in Rs. Crore

S. No	Name of Instrument	Type	Current Rating (FY2021)			Chronology of Rating History for the Past 3 years		
			Rated amount	Amount outstanding	Month-year & Rating	Month- year and Rating in		
						2020	2019	2018
(Rs. crore)		30-Apr- 2020	-	31-Jan-2019	04-Jul-2017			
1	Fund Based Term Loan	Long Term	1.58	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ISSUER NOT COOPERATING
2	Short Term Fund Based	Short Term	19.00	-	[ICRA]A4 ISSUER NOT COOPERATING	-	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A4+ ISSUER NOT COOPERATING
3	Non Fund Based Limits	Short Term	4.87		[ICRA]A4 ISSUER NOT COOPERATING		[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A4+ ISSUER NOT COOPERATING
4	Unallocated Limits	Long Term/ Short Term	8.83	-	[ICRA]B+ (Stable)/A4 ISSUER NOT COOPERATING		[ICRA]BB+(Stable)/A4+ ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/A4+ ISSUER NOT COOPERATING

All figures in Rs. Crore

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	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based-Term Loan	NA	NA	NA	1.58	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Short Term- Fund Based	NA	NA	NA	19.00	[ICRA]A4 ISSUER NOT COOPERATING
NA	Short Term-Non Fund Based	NA	NA	NA	4.87	[ICRA]A4 ISSUER NOT COOPERATING
NA	Unallocated Limits	NA	NA	NA	8.83	[ICRA]B+(Stable)/A4 ISSUER NOT COOPERATING

Source: Mridul International Private Limited (Erstwhile Mridul Enterprises)

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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.

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