

## Press Release

**Mantra Industries Limited**

January 21, 2019



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 172.00 Cr. #
<b>Long Term Rating</b>	ACUITE D (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE A3+**' (**read as ACUITE A three plus**) to the Rs. 172.00 crore bank facilities of Mantra Industries Limited (MIL). This rating is now an indicative rating and is based on best available information.

The downgrade is in view of delays in servicing the debt obligation. Overdrawing in CC account has been seen for nearly 45 days.

MIL, incorporated in 2009, is promoted by Mr. V. Ganeshan, Ms V. Anusha and Ms. B. Priyamvadha. The company is engaged in the manufacturing and distribution of electrical and electronic home appliances such as mixer grinders, wet grinders and pressure cookers, among others. The company has also set up facilities for assembling of electronic items such as weighing scales, digital set top boxes and laptops. The manufacturing facility is located at Coimbatore (Tamil Nadu) with 8 injection moulding machines and capacity of 50 lakh units per annum.

#### Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

#### Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	209.30	333.80	175.11
EBITDA	Rs. Cr.	5.22	10.00	5.28
PAT	Rs. Cr.	2.16	3.01	2.32
EBITDA Margin (%)	(%)	2.50	3.00	3.01
PAT Margin (%)	(%)	1.03	0.90	1.33
ROCE (%)	(%)	7.07	12.47	7.11
Total Debt/Tangible Net Worth	Times	0.09	1.20	1.14
PBDIT/Interest	Times	4.42	2.06	2.38
Total Debt/PBDIT	Times	0.68	4.10	6.49
Gross Current Assets (Days)	Days	49	112	219

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

None

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
01-Dec-2017	Proposed Cash Credit	Long Term	INR 41.71	ACUITE BBB- / Stable (Assigned)
	Bank Guarantee	Short Term	INR 4.00	ACUITE A3+ (Assigned)
	Proposed Letter of Credit	Short Term	INR 60.00	ACUITE A3+ (Assigned)
	Proposed Bank Guarantee	Short Term	INR 6.50	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	INR 58.95	ACUITE BBB- / Stable (Assigned)
	Term Loan	Long Term	INR 0.84	ACUITE BBB- / Stable (Assigned)

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE D (Downgraded from ACUITE BBB- / Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.95	ACUITE D (Downgraded from ACUITE BBB- / Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE D (Downgraded from ACUITE BBB- / Stable) Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.84	ACUITE D (Downgraded from ACUITE BBB- / Stable) Issuer not co-operating*

Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	41.71	ACUITE D (Downgraded from ACUITE BBB- / Stable) Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	60.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating*

\*The issuer did not co-operate; Based on best available information.

## Contacts

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## About Acuité Ratings & Research:

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