



**Press Release**  
**Murlidhar Tex Prints Private Limited**  
**October 23, 2023**  
**Rating Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.49	ACUITE B+   Reaffirmed & Withdrawn	-
Bank Loan Ratings	1.51	Not Applicable   Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	10.00	-	-

**Rating Rationale**

Acuite has reaffirmed & withdrawn the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 8.59 crore bank loan facilities of MURLIDHAR TEX PRINTS PRIVATE LIMITED (MTPPL). Acuite has also withdrawn its rating on Rs.1.51 Cr bank loan facilities of MTPPL. The rating has been withdrawn in accordance with Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NOC received from the banker.

**Rationale for the reaffirmation**

The rating reaffirmation takes into account the improvement in the operating income of the company, The rating also draws comfort from the experienced promoter and the company's long track record of operations in the industry. These strengths are, however, offset by the working capital intensive in nature of operations.

**About the Company**

Murlidhar Tex Prints Private Limited (MTPPL) is a Surat based company incorporated in 2007 promoted by Mr. Aditya Chaudhary and Mr. Kailashchandra Chaudhry amongst others. Company is engaged in printing and dyeing of fabrics; it has a capacity of dyeing ~70,000 meter fabric per day and printing capacity of ~65,000 meters fabric per day. Erstwhile MTPPL was engaged in printing and dyeing of polyester fabric, but from January 2017 Company has started printing and dyeing of cotton fabric.

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Murlidhar Tex Print Private Limited to arrive at this rating.

**Key Rating Drivers**

**Strengths**

**Established track record of operations and experienced management**

MTPPL is in the said line of business since 2007. The company is promoted by, Mr. Kailashchandra Chaudhary and his family who possess about more than four decades of experience in cotton industry. Extensive experience of promoters has helped in building healthy relationship with suppliers and customers. Acuite believes that location of the unit at Surat, which is hub for textile manufacturing and processing, long track record of operations

and experienced management will support in improvement of the company's business risk profile over the medium term.

### **Stable operating performance**

The company's operating income amounted at Rs. 52.75 Cr. as of FY2023, as compared to Rs. 42.53 Cr. as FY2022. The company's operating margin stood at 5.95 percent from 6.94 percent the previous year. The PAT margin increased to 1.56 percent in FY2023 from 1.44 percent in FY2022.

### **Weaknesses**

#### **Working capital intensive nature of operations**

The operations of the company are working capital-intensive marked by Gross Current Asset days (GCA) of 132 for FY2023 as compared to 142 days of FY2022. The debtor days stood at 96 days as on FY2023 as compared to 91 days as on FY2022. The inventory period stood relatively low at 10 days as on FY2023 as compared to 20 days FY2022 respectively. Acuité believes that the working capital management of MTPPL's will remain intensive given the nature of the industry.

#### **Highly Competitive and fragmented Industry**

The company operates in a highly competitive market with several organized and unorganized players engaged in dyeing and printing of grey fabrics.

### **All Covenants**

None

### **Liquidity Position**

#### **Stretched**

The company's liquidity position is stretched marked by modest net cash accruals of Rs.1.76 Cr as on FY2023 as against Rs. 0.90 Cr. long-term debt repayment during the same period. The current ratio stood at 1.33 times as on FY2022, as compared to 1.30 times as on FY2023. The cash and bank balances stood at Rs. 0.01 Cr. FY2022. However, the working capital-intensive nature of operations of the company is marked by Gross Current Assets (GCA) of 132 days as on FY2023 as compared to 130 days as on FY2022.

### **Outlook: Not Applicable**

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	52.75	42.53
PAT	Rs. Cr.	0.82	0.61
PAT Margin	(%)	1.56	1.44
Total Debt/Tangible Net Worth	Times	1.97	2.12
PBDIT/Interest	Times	2.64	2.75

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

Not applicable

### Any other information

None

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Dec 2022	Secured Overdraft	Long Term	5.00	ACUITE B+ ( Issuer not co-operating*)
	Term Loan	Long Term	3.49	ACUITE B+ ( Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	1.51	ACUITE B+ ( Issuer not co-operating*)
05 Oct 2021	Proposed Long Term Loan	Long Term	1.51	ACUITE B+ ( Issuer not co-operating*)
	Term Loan	Long Term	3.49	ACUITE B+ ( Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE B+ ( Issuer not co-operating*)
09 Jul 2020	Secured Overdraft	Long Term	5.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.49	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	1.51	ACUITE B+ (Downgraded and Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	1.51	Not Applicable   Withdrawn
Bank of Baroda	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE B+   Reaffirmed & Withdrawn
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.49	ACUITE B+   Reaffirmed & Withdrawn

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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