

## Press Release

### Meenar Polydyed Yarns Limited

January 15, 2019

### Rating Withdrawn



<b>Total Instruments Rated*</b>	Rs. 8.57 Cr.
<b>Long Term Rating</b>	ACUITE BB- (Withdrawn)

\* Refer Annexure for details

### Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) to the Rs. 8.57 crore bank facilities of Meenar Polydyed Yarns Limited (MPYL). The rating withdrawal is in accordance with the Acuite's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

MPYL is a Varanasi based company established in 2003 by the Varanasi based Alam family. The company is engaged in processing of polyester yarn and undertakes various processes such as texturing, twisting, dyeing and coning. The company has also set-up looms and manufactures fabric which contributes around 10 percent to the total revenue of the company. Around 80 percent of the purchases are made from the group company i.e. Meenar Industries Limited and remaining from suppliers located in Surat (Gujarat).

### Analytical Approach

For arriving at the ratings, Acuite has combined the business and financial risk profiles of Meenar Polydyed Yarn Limited (MPYL) and Meenar Industries Limited (MIL). As the two companies, collectively referred to as the Meenar group (MG), are in the same line of business, and under the same promoter group and management. Further, the companies have significant operational linkages with each other. Further, the management has confirmed that the two companies will be merged going forward.

### About the group

Meenar Group (MG), established in 2003, is engaged in spinning, processing of yarn and weaving and trading of sarees. The group provides diversified products including yarn, fabric and sarees. The group is based at Varanasi (Uttar Pradesh). MG comprises of Meenar Industries Limited and Meenar Polydyed Yarn Limited. The group is promoted by Alam family and has presence of more than fifteen years in the textile industry.

### About the Rated Entity Financials (Consolidated)

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	62.19	68.35	64.33
EBITDA	Rs. Cr.	8.84	8.22	6.21
PAT	Rs. Cr.	0.84	0.35	0.25
EBITDA Margin	(%)	14.22	12.03	9.65
PAT Margin	(%)	1.35	0.52	0.38
ROCE	(%)	7.04	7.63	11.27
Total Debt/Tangible Net Worth	Times	1.79	1.72	1.77
PBDIT/Interest	Times	3.02	2.54	2.56
Total Debt/PBDIT	Times	3.85	3.80	5.09
Gross Current Assets (Days)	Days	160	117	85

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

ICRA, vide its press release dated November 15, 2017 had denoted the rating of Meenar Polydyed Yarns Limited as 'ISSUER NOT COOPERATING' on account of non submission of monthly No default statement (NDS).

### Any other information

None

### Applicable Criteria

- Manufacturing entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Trading entities-<https://www.acuite.in/view-rating-criteria-6.htm>
- Consolidation of Companies-<https://www.acuite.in/view-rating-criteria-22.htm>
- Financial Ratios and Adjustments- <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition- <https://www.acuite.in/view-rating-criteria-17.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument /Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
24-Aug-2018	Cash Credit	Long Term	7.28	ACUITE BB- /Stable (Assigned)
	Term Loan	Long Term	0.08	ACUITE BB- /Stable (Assigned)
	Term Loan	Long Term	0.50	ACUITE BB- /Stable (Assigned)
	Term Loan	Long Term	0.71	ACUITE BB- /Stable (Assigned)

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.28	ACUITE BB- (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.08	ACUITE BB- (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB- (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.71	ACUITE BB- (Withdrawn)

## Contacts

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### About Acuité Ratings & Research:

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