

Press Release

Minaxi Textiles Limited

September 09, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 25.18 Cr.#
Long Term Rating	ACUITE D (Downgraded) Issuer not co-operating*
Short Term Rating	ACUITE D (Downgraded) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and downgraded the short term rating to '**ACUITE D**' (read as **ACUITE D**) from of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.25.18 crore bank facilities of MINAXI TEXTILES LIMITED (MTL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuite has downgraded its rating on the bank facility of MINAXI TEXTILES LIMITED (MTL). The downgrade of ratings is on account of publicly available information.

Acuite 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 Acuite's policies.

Applicable Criteria

- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

Incorporated in 1995, MTL, promoted by Mr. Bharat Patel and family is engaged in the manufacturing of grey cloth used in suiting and shirting.

MTL reported profit after tax (PAT) of Rs. 1.54 cr on operating income of Rs.54.23 cr for FY2015-16, as compared with PAT of Rs.1.52 cr on operating income of Rs.54.53 cr in the previous year. The tangible networth stood at Rs. 13.01 cr as on March 31, 2016 as against Rs. 11.47 cr in the previous year.

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

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17-Mar-2018	Term Loan	Long Term	INR 8.78	ACUITE BB (Indicative)
	Cash credit	Long Term	INR 15.50	ACUITE BB (Indicative)
	Letter of Credit	Short Term	INR 0.30	ACUITE A4+ (Indicative)
	Bank Guarantee	Short Term	INR 0.60	ACUITE A4+ (Indicative)
20-Jul-2017	Term Loan	Long Term	INR 8.78	ACUITE BB-/ Stable (Reaffirmed)
	Cash credit	Long Term	INR 15.50	ACUITE BB-/ Stable (Reaffirmed)
	Letter of Credit	Short Term	INR 0.30	ACUITE A4+ (Reaffirmed)
	Bank Guarantee	Short Term	INR 0.60	ACUITE A4+ (Reaffirmed)
28-Sep-2018	Term Loan	Long Term	INR 8.78	ACUITE BB-/ Stable (Assigned)
	Cash credit	Long Term	INR 15.50	ACUITE BB-/ Stable (Assigned)
	Letter of Credit	Short Term	INR 0.30	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	INR 0.60	ACUITE A4+ (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
Term Loan	Not Applicable	Not Applicable	Not Applicable	INR 8.78	ACUITE D Issuer not co-operating*
Cash credit	Not Applicable	Not Applicable	Not Applicable	INR 15.50	ACUITE D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	INR 0.30	ACUITE D Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	INR 0.60	ACUITE D Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-67141111 aditya.gupta@acuite.in Amogh Kharkar Analyst - Rating Operations Tel: 022-67141315 amogh.kharkar@acuiterratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.