

Press Release

Maharaja Cotspin Limited

December 23, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 68.00 Cr. #
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D 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 of “**ACUITE BB**” (read as **ACUITE double B**) and the short term rating of “**ACUITE A4+**” (read as **ACUITE A four plus**) to “**ACUITE D**” (read as **ACUITE D**) on the Rs.68.00 crore bank facilities of Maharaja Cotspin Limited. This rating is now an indicative rating and is based on best available information.

Acuite has relied on publicly available information with regards to the account conduct.

Maharaja Cotspin Limited (MCL) was incorporated in April, 2010 and is engaged in the business of spinning of acrylic & polyester yarn and the manufacture of polyester fabrics. It has one spinning facility and one manufacturing facility in Ludhiana – the textile hub of India. It markets its polyester fabric under its own brand “Maharaja Gold” in both India and in several export markets. Key export markets include Mexico and Pakistan – however it also supplies to several players in South-East Asian markets.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated attempts.

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated

requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
04-Dec-2018	Cash Credit	Long Term	10.00	ACUITE BB Issuer Not Cooperating*
	Term Loan	Long Term	35.90	ACUITE BB Issuer Not Cooperating*
	Standby Line of Credit	Long Term	1.00	ACUITE BB Issuer Not Cooperating*
	Term Loan	Long Term	0.04	ACUITE BB Issuer Not Cooperating*
	Proposed Long Term Loan	Long Term	0.46	ACUITE BB Issuer Not Cooperating*
	Post Shipment Credit	Short Term	5.00	ACUITE A4+ Issuer Not Cooperating*
	Bank Guarantee	Short Term	0.60	ACUITE A4+ Issuer Not Cooperating*
	Buyers Credit	Short Term	15.00	ACUITE A4+ Issuer Not Cooperating*
06-Oct-17	Cash Credit	Long Term	10.00	ACUITE BB Issuer Not Cooperating*
	Term Loan	Long Term	35.90	ACUITE BB Issuer Not Cooperating*
	Standby Line of Credit	Long Term	1.00	ACUITE BB Issuer Not Cooperating*
	Term Loan	Long Term	0.04	ACUITE BB Issuer Not Cooperating*
	Proposed Long Term Loan	Long Term	0.46	ACUITE BB Issuer Not Cooperating*
	Post Shipment Credit	Short Term	5.00	ACUITE A4+ Issuer Not Cooperating*
	Bank Guarantee	Short Term	0.60	ACUITE A4+ Issuer Not Cooperating*
	Buyers Credit	Short Term	15.00	ACUITE A4+ Issuer Not Cooperating*
18-Jul-16	Cash Credit	Long Term	10.00	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	35.90	ACUITE BB/Stable (Assigned)
	Standby Line of Credit	Long Term	1.00	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	0.04	ACUITE BB/Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.46	ACUITE BB/Stable (Assigned)
	Post Shipment Credit	Short Term	5.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.60	ACUITE A4+ (Assigned)
	Buyers Credit	Short Term	15.00	ACUITE A4+ (Assigned)

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

*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	10.00	ACUITE D Downgraded; Issuer Not Cooperating
Term Loan	Not Applicable	Not Applicable	Not Applicable	35.90	ACUITE D Downgraded; Issuer Not Cooperating
Standby Line of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE D Downgraded; Issuer Not Cooperating
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.04	ACUITE D Downgraded; Issuer Not Cooperating
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.46	ACUITE D Downgraded; Issuer Not Cooperating
Post Shipment Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE D Downgraded; Issuer Not Cooperating
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.60	ACUITE D Downgraded; Issuer Not Cooperating
Buyers Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Downgraded; Issuer Not Cooperating

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in
Stuti Fomra Analyst - Rating Operations Tel: 011-49731309 stuti.fomra@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.