

Press Release

Maharaja Cotspin Limited

March 22, 2021

Rating Update



| | |
|-------------------------------------|--------------------------------------|
| Total Bank Facilities Rated* | Rs. 68.00 Crore# |
| 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.

Acuite has reviewed the long term rating of '**ACUITE D' (read as ACUITE D)** and short term rating of '**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.

Maharaja Cotspin Limited (MCL) was incorporated in April, 2010 in Ludhiana by Mr. Ashok Kumar Makkar, Mr. Sanjeev Makkar and Mr. Manoj Makkar 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:

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

- 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). Acuite endeavored 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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity – Key Financial Indicators:

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

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. Crore) | Ratings/Outlook |
|-------------|---------------------------------|------------|--------------------|---------------------------------------|
| 23-Dec-2019 | Cash Credit | Long Term | 10.00 | ACUITE D Issuer not co-operating* |
| | Term Loan | Long Term | 35.90 | ACUITE D Issuer not co-operating* |
| | Standby Line of Credit | Long Term | 1.00 | ACUITE D Issuer not co-operating* |
| | Term Loan | Long Term | 0.04 | ACUITE D Issuer not co-operating* |
| | Proposed Long Term Loan | Long Term | 0.46 | ACUITE D Issuer not co-operating* |
| | Post Shipment Credit | Short Term | 5.00 | ACUITE D Issuer not co-operating* |
| | Bank Guarantee | Short Term | 0.60 | ACUITE D Issuer not co-operating* |
| | Buyers Credit | Short Term | 15.00 | ACUITE D Issuer not co-operating* |
| 19-Nov-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-2017 | 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* |

#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 | 10.00 | ACUITE D Issuer not co-operating* |
| Term Loan | Not Available | Not Available | Not Available | 35.90 | ACUITE D Issuer not co-operating* |
| Standby Line of Credit | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE D Issuer not co-operating* |
| Term Loan | Not Available | Not Available | Not Available | 0.04 | ACUITE D Issuer not co-operating* |
| Proposed Long Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.46 | ACUITE D Issuer not co-operating* |
| Post Shipment Credit | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE D Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 0.60 | ACUITE D Issuer not co-operating* |
| Buyers Credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE D Issuer not co-operating* |

Contacts

| Analytical | Rating Desk |
|---|--|
| <p>Aditya Gupta Head – Corporate and Infrastructure Sector Ratings Tel: 022-67141191 aditya.gupta@acuite.in</p> <p>Stuti Fomra Analyst - Rating Operations Tel: 011-49731309 stuti.fomra@acuite.in</p> | <p>Varsha Bist Senior Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p> |

About Acuité Ratings & Research:

Acuité Ratings & Research 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.