



Press Release
Maharaja Cotspin Limited
December 06, 2024
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	47.40	ACUITE D Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	20.60	-	ACUITE D Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	68.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has reaffirmed 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. The rating continues to be flagged as “Issuer Not Co-operating” and is based on the best available information.

About the Company

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.

Unsupported Rating

Not Applicable

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 the due date. Acuite 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.

This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuite’s policies.

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.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 20 (Actual)	FY 19 (Actual)
Operating Income	Rs. Cr.	90.44	106.44
PAT	Rs. Cr.	(0.75)	1.57
PAT Margin	(%)	(0.83)	1.47
Total Debt/Tangible Net Worth	Times	1.47	1.63
PBDIT/Interest	Times	1.65	2.44

Status of non-cooperation with previous CRA

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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Sep 2023	Cash Credit	Long Term	10.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	1.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.04	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	35.90	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.46	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Short Term	5.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Buyers Credit	Short Term	15.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
20 Jun 2022	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Short Term	5.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Buyers Credit	Short Term	15.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	1.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.04	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	35.90	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.46	ACUITE D (Reaffirmed & Issuer not co-operating*)
22 Mar 2021	Bank Guarantee (BLR)	Short Term	0.60	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Buyers Credit	Short Term	15.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Short Term	5.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.46	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	1.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	35.90	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.04	ACUITE D (Reaffirmed & Issuer not co-operating*)

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

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.60	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Buyers Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.46	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.04	Simple	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.90	Simple	ACUITE D Reaffirmed Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research

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