



**Press Release**  
**MAHALAXMI COTTON**  
**March 04, 2025**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.56	ACUITE B-   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	7.56	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

**Rating Rationale**

Acuite has downgraded the long-term rating to ‘**ACUITE B-**’ (read as **ACUITE B minus**) from ‘**ACUITE B**’ (read as **ACUITE B**) on the Rs.7.56 crore bank facilities of Mahalaxmi Cotton (MC) on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the best available information.

**About the Company**

Mahalaxmi Cotton was established in the year 2013 as a partnership firm located in Kadi, Gujarat. The firm is engaged in ginning and pressing of Cotton bales. It has a production capacity of 25000 bales p.a. The firm also carries out cottonseed crushing to produce cotton seed oil and cottonseed oilcake in a nearby unit on lease having an input capacity of 8000 MTPA. The firm is promoted and managed by Mr. Kanubhai Patel, who has over 15 years of experience in cotton ginning business, and other family members.

**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**

This 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. Any rating with the suffix ‘Issuer not cooperating’ is assigned without any management

interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. 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 18 (Actual)	FY 17 (Actual)
Operating Income	Rs. Cr.	34.00	40.76
PAT	Rs. Cr.	0.09	0.02
PAT Margin	(%)	0.28	0.04
Total Debt/Tangible Net Worth	Times	2.73	3.80
PBDIT/Interest	Times	1.38	1.30

## 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Dec 2023	Cash Credit	Long Term	6.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.06	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.50	ACUITE B (Reaffirmed & Issuer not co-operating*)
14 Oct 2022	Cash Credit	Long Term	6.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.06	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.50	ACUITE B (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
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE B-   Downgraded   Issuer not co-operating* ( from ACUITE B )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE B-   Downgraded   Issuer not co-operating* ( from ACUITE B )
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2020	0.06	Simple	ACUITE B-   Downgraded   Issuer not co-operating* ( from ACUITE B )

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

## Contacts

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### About Acuité Ratings & Research

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