



Press Release
Manjeet Cotton Private Limited
August 30, 2024

Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 571.55 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 72.00 | - | ACUITE A4+ Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 643.55 | - | - |

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE A**' (read as **ACUITE A**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four Plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on Rs. 643.55 crore bank facilities of Manjeet Cotton Private Limited. The downgraded is on account of information risk. The rating is now flagged as "Issuer Not-Cooperating" on account of information risk and is based on the best available information.

Rationale for Downgrade

The team had sent repeated reminders to the Company for latest information; however, despite multiple requests; the Company's management has not sent the required documents and are yet to submit the final latest documents for assigning the rating.

About the Company

Maharashtra-based Manjeet Cotton Private Limited (MCPL) was incorporated in 2005 as a private limited company to consolidate the existing businesses of other group companies that had been operational since 1982. MCPL is engaged in cotton ginning, trading, exporting, and extracting cotton oil seeds, cotton seeded linting, spinning, and weaving. It is promoted by Mr. Bhupendra Rajpal, Mr. Rajendra Rajpal, and Mr. Sanchit Rajpal. It has manufacturing units in 18 cities located in the states of Madhya Pradesh, Maharashtra, Karnataka, Telangana, Odisha, and Rajasthan.

Unsupported Rating

Not Applicable

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation 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 Acuité'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 endeavoured 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 Sensitivities

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

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 3134.56 | 7000.54 |
| PAT | Rs. Cr. | 70.44 | 124.49 |
| PAT Margin | (%) | 2.25 | 1.78 |
| Total Debt/Tangible Net Worth | Times | 1.00 | 1.34 |
| PBDIT/Interest | Times | 5.54 | 4.75 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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 |
|-------------|----------------------------------|------------|-----------------|---|
| 07 Jun 2023 | Stand By Line of Credit | Short Term | 8.80 | ACUITE A1 (Reaffirmed) |
| | Stand By Line of Credit | Short Term | 13.20 | ACUITE A1 (Reaffirmed) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A1 (Reaffirmed) |
| | Cash Credit | Long Term | 91.20 | ACUITE A Stable (Reaffirmed) |
| | Cash Credit | Long Term | 170.30 | ACUITE A Stable (Reaffirmed) |
| | Cash Credit | Long Term | 83.50 | ACUITE A Stable (Reaffirmed) |
| | Cash Credit | Long Term | 50.00 | ACUITE A Stable (Reaffirmed) |
| | Term Loan | Long Term | 9.46 | ACUITE A Stable (Reaffirmed) |
| | Post Shipment Credit | Long Term | 55.00 | ACUITE A Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.63 | ACUITE A Stable (Reaffirmed) |
| | Term Loan | Long Term | 16.10 | ACUITE A Stable (Reaffirmed) |
| | Term Loan | Long Term | 12.77 | ACUITE A Stable (Assigned) |
| | Cash Credit | Long Term | 50.00 | ACUITE A Stable (Assigned) |
| | Term Loan | Long Term | 31.58 | ACUITE A Stable (Assigned) |
| | Term Loan | Long Term | 0.33 | ACUITE A Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.68 | ACUITE A Stable (Reaffirmed) |
| 08 Dec 2022 | Cash Credit | Long Term | 91.20 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Cash Credit | Long Term | 170.30 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Cash Credit | Long Term | 83.50 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Cash Credit | Long Term | 50.00 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Term Loan | Long Term | 14.78 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Term Loan | Long Term | 0.84 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Post Shipment Credit | Long Term | 55.00 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Term Loan | Long Term | 3.62 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | Proposed Long Term Bank Facility | Long Term | 7.96 | ACUITE A Stable (Upgraded from ACUITE BBB+) |
| | | Short | | |

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|-------------|----------------------------------|------------|--------|--|
| | Stand By Line of Credit | Term | 8.80 | ACUITE A1 (Upgraded from ACUITE A2+) |
| | Stand By Line of Credit | Short Term | 13.20 | ACUITE A1 (Upgraded from ACUITE A2+) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A1 (Upgraded from ACUITE A2+) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A1 (Upgraded from ACUITE A2+) |
| 23 Sep 2022 | Cash Credit | Long Term | 91.20 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Cash Credit | Long Term | 170.30 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Cash Credit | Long Term | 83.50 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Cash Credit | Long Term | 50.00 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Term Loan | Long Term | 14.78 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Term Loan | Long Term | 0.84 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Post Shipment Credit | Long Term | 55.00 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Term Loan | Long Term | 3.62 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Proposed Long Term Bank Facility | Long Term | 7.96 | ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable) |
| | Stand By Line of Credit | Short Term | 8.80 | ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1) |
| | Stand By Line of Credit | Short Term | 13.20 | ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1) |
| | Term Loan | Long Term | 3.62 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| 02 Jul 2021 | Term Loan | Long Term | 0.84 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Term Loan | Long Term | 14.78 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Proposed Long Term Bank Facility | Long Term | 7.96 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Post Shipment Credit | Long Term | 55.00 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Cash Credit | Long Term | 50.00 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Cash Credit | Long Term | 83.50 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Cash Credit | Long Term | 170.30 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Cash Credit | Long Term | 91.20 | ACUITE A Stable (Upgraded from ACUITE A- Stable) |
| | Stand By Line of Credit | Short Term | 13.20 | ACUITE A1 (Reaffirmed) |
| | Stand By Line of Credit | Short Term | 8.80 | ACUITE A1 (Reaffirmed) |
| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A1 (Assigned) |
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| | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A1 (Assigned) |
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Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| Bank of India | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 25.00 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A1) |
| HDFC Bank Ltd | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 25.00 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A1) |
| Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 50.00 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 91.20 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Bank of Baroda | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 170.30 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Punjab National Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 83.50 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Union Bank of India | Not avl. / Not | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 50.00 | ACUITE BB+ Downgraded Issuer not co- |

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|----------------|----------------------|-------------------------|----------------------|----------------------|----------------------|--------|-------|--|
| | appl. | | | | | | | operating* (from ACUITE A) |
| HDFC Bank Ltd | Not avl. / Not appl. | Post Shipment Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 55.00 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Bank of India | Not avl. / Not appl. | Stand By Line of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 8.80 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A1) |
| Bank of Baroda | Not avl. / Not appl. | Stand By Line of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 13.20 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A1) |
| HDFC Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.63 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Yes Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 16.10 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Bank of India | Not avl. / Not appl. | Term Loan | 01 Sep 2017 | Not avl. / Not appl. | 01 Sep 2027 | Simple | 9.46 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| HDFC Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 31.58 | ACUITE BB+ Downgraded Issuer not co-operating* (|

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|---------------|----------------------|-----------|----------------------|----------------------|----------------------|--------|-------|---|
| | | | | | | | | from ACUITE |
| HDFC Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.33 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| HDFC Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.68 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |
| Yes Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 12.77 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A) |

Contacts

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|--|---|
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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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