

Press Release
MANJEET COTTON PRIVATE LIMITED
January 21, 2026
Rating Reaffirmed



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	584.75	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	58.80	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	643.55	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating at '**ACUITE A-**' (**read as ACUITE A minus**) and the short-term rating at '**ACUITE A1**' (**read as ACUITE A one**) on the Rs. 643.55 Cr. bank facilities of Manjeet Cotton Private Limited (MCPL). The outlook is '**Stable**'.

Rationale for reaffirmation

The rating reaffirmation reflects the company's steady operating profitability despite moderation in revenues. The rating, draws comfort from MCPL's experienced management and its established market position. Further, working capital operations remain moderately intensive. However, the rating remains constrained by the company's moderate financial risk profile and susceptibility of operating performance to agro-climatic conditions, and exposure to a regulated industry with intense competition.

About the Company

Incorporated in 2005, Maharashtra based, Manjeet Cotton Private Limited (MCPL) was established to consolidate the existing businesses of other group companies that had been operational since 1982. MCPL is engaged in cotton ginning, trading, exporting, extracting cotton seeds oil, cotton seed linting, spinning, and weaving. The company is promoted by Mr. Bhupendra Rajpal, Mr. Rajendra Rajpal, and Mr. Sanchit Rajpal. The manufacturing facilities of the company are located in 20 cities across the states of Madhya Pradesh, Maharashtra, Karnataka, Telangana, Odisha, and Rajasthan.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of MCPL to arrive at this rating.

Key Rating Drivers

Extensive promoter experience with established track record of operations

MCPL is one of the largest cotton processing companies in India, founded by Mr. Bhupendra Singh Rajpal and Mr. Rajendra Singh Rajpal, who bring over three decades of experience in the textile industry. The promoters are supported by second-generation management led by Mr. Sanchit Rajpal. The company has built strong domestic and international relationships with customers and suppliers, supported by a diversified business profile that includes cotton ginning, trading and exporting of cotton yarn, and extraction of cotton seed oil. The promoters' experience and long track record have enabled MCPL to maintain healthy stakeholder relationships. Acuité believes that MCPL will continue to benefit from its established presence and experienced promoters.

Stable profitability despite decline in revenue

MCPL's revenue declined by ~15 percent to Rs.2,784.74 crore in FY2025 from Rs. 3,256.30 crore in FY2024, primarily due to lower volumes and realizations in cotton. Volumes were constrained by reduced open-market availability after the Cotton Corporation of India procured cotton at the Minimum Support Price (MSP), leading the company to undertake job-work contracts. Despite the revenue moderation, operating margin improved marginally to 2.97 percent in FY2025 from 2.81 percent in the previous year, supported by lower input costs. The company reported revenue of Rs. 2,100 crore during 9M FY2026, compared to Rs.1,865.63 crore in 9M FY2025, aided by better cotton availability in the open market. This is expected to support overall stable operating performance. Going forward, continuous improvement in operating revenue while sustaining profitability will remain a key monitorable.

Moderately intensive working capital operations

The working capital operations of the company are moderate, evident from gross current assets (GCA) of 131 days in FY2025. The GCA days are driven by debtor and inventory days which stood at 30 days and 52 days respectively in FY2025 as against 28 days and 60 days in FY2024. The other current assets majorly comprise of loan and advances given to related parties. However, the working capital utilization remains moderate at 56.65 percent for the last seven months ended October 2025. Acuite believes, the operations of the company would remain moderately intensive due to its nature of business.

Weaknesses

Moderate financial risk profile

The financial risk profile of MCPL remains moderate with healthy net worth, low gearing and adequate debt coverage indicators. The networth stood at Rs. 676.87 Cr. in FY2025 post profit accretion from Rs. 647.11 Cr. in FY2024. The gearing (debt to equity) stood below unity at 0.78 times in FY2025, due to reduction in the overall debt levels on account of scheduled repayment as well as reduced working capital utilization. The TOL/TNW levels also stood improved at 0.87 times in FY2025 from 1.22 times in FY2024. However, the Debt-EBITDA levels continue to remain high at 5.27 times in FY2025 as against 6.09 times in FY2024. Further, the debt protection metrics stood adequate with interest coverage ratio (ICR) at 2.45 times and debt service coverage ratio (DSCR) at 1.15 times in FY2025. The overall financial risk profile of MCPL is expected to improve over the medium term in the absence of debt funded capex plans.

Susceptibility of operating performance to input price volatility, agro-climatic risk in a competitive industry

Cotton prices are regulated by the government under the Minimum Support Price (MSP) mechanism, making profitability sensitive to fluctuations in raw material costs. At the same time, the selling price of output is determined by prevailing demand-supply dynamics, which limits the company's bargaining power with customers and, in turn, impacts profitability margins. MCPL operates in a highly fragmented industry with a significant presence of unorganised players, which limits its pricing power. Raw material availability is closely linked to climatic conditions, as seed cotton is exposed to agro-climatic risks and production depends heavily on the monsoon and other weather patterns. Elevated temperatures in already hot regions can hinder cotton development and fruit formation, leading to reduced yields and a

shortage of raw cotton.

ESG Factors Relevant for Rating

In case of agricultural products industry, crop and livestock production has a substantial environmental impact. Cotton cultivation severely degrades soil quality. Conventional production practices for cotton involve the application of substantial fertilizers and pesticides. On the social front, employee health & safety management are of primary importance to this industry. Furthermore, employment quality and human rights concerns such as child labour are crucial considering the exploitative industry practices. Factors such as business ethics, management and board administration hold primary importance on the governance front. MCPL has taken up various initiatives on social and environmental causes. The company has organised different welfare programs for upliftment of farmers. It has also given financial and technical support to NGOs engaged in rendering their services to farmers. It plans to open education centres in different villages for farmer upliftment. Further, as a part of its steps towards environment sustainability, its factories are largely operated vide solar power which is captively produced. On the governance front, the company has adopted requirement of corporate governance from provision of Companies Act 2013. The board of directors comprises of individuals having expertise and experience in the industry. Further, the company has developed an ethical business policy to ensure a healthy governance mechanism.

Rating Sensitivities

- Improvement in operating revenues and profitability
- Significant increase in debt levels leading to deterioration in the financial risk profile
- Elongation in the working capital cycle leading to stretch in the liquidity.

Liquidity Position

Adequate

The liquidity of MCPL is adequate with sufficient net cash accruals (NCAs) of Rs. 45.12 Cr. against maturing repayment of obligations of Rs. 33.64 Cr. in FY2025. The same are expected to remain in the range of Rs. 45 – 60 Cr. against repayment obligations of Rs. 30 – 20 Cr. for FY2026 and FY2027. Further, the current ratio stood comfortable at 1.81 times on March 31, 2025. Additionally, the moderate working capital utilization of 56.65 percent till seven months ended October 2025, provides sufficient cushion in the form of undrawn limits. The company also had an unencumbered cash and bank balance of Rs. 44.90 Cr. on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	2784.74	3256.30
PAT	Rs. Cr.	29.78	41.77
PAT Margin	(%)	1.07	1.28
Total Debt/Tangible Net Worth	Times	0.78	1.07
PBDIT/Interest	Times	2.45	2.48

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, 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
23 Oct 2024	Term Loan	Long Term	18.43	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	126.20	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	13.43	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	60.00	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	92.80	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	6.51	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Post Shipment Credit	Long Term	132.00	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Stand By Line of Credit	Long Term	13.20	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	24.77	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	1.53	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	89.00	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	6.88	ACUITE A- Stable (Upgraded from ACUITE BB+)
	Stand By Line of Credit	Short Term	8.80	ACUITE A1 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Upgraded from ACUITE A4+)
30 Aug 2024	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Stand By Line of Credit	Short Term	13.20	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Stand By Line of Credit	Short Term	8.80	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Term Loan	Long Term	0.68	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	0.33	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	31.58	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	12.77	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	50.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	16.10	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	0.63	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Post Shipment	Long		ACUITE BB+ (Downgraded & Issuer not co-

	Credit	Term	55.00	operating* from ACUITE A Stable)
	Term Loan	Long Term	9.46	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	50.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	83.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	170.30	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	91.20	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
07 Jun 2023	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)
	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)
	Stand By Line of Credit	Short Term	8.80	ACUITE A1 (Reaffirmed)

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 INDIA (BOI)	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Reaffirmed
BANK OF INDIA (BOI)	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	126.20	Simple	ACUITE A- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	92.80	Simple	ACUITE A- Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	89.00	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	132.00	Simple	ACUITE A- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.42	Simple	ACUITE A- Stable Reaffirmed
BANK OF INDIA (BOI)	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.80	Simple	ACUITE A1 Reaffirmed
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.	13.20	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Oct 2028	18.18	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Dec 2028	1.00	Simple	ACUITE A- Stable Reaffirmed
BANK OF INDIA (BOI)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2026	3.55	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 May 2027	8.04	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Jan 2028	0.70	Simple	ACUITE A- Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	12.66	Simple	ACUITE A- Stable Reaffirmed

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