

Majestic Exports

January 06, 2022

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|---|--|---|--|
| Long Term Bank Facilities | 4.48 | CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; (Double B; Outlook: Stable) |
| Long Term / Short Term Bank Facilities | 16.00 | CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (Double B Minus ; Outlook: Stable/ A Four; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable / CARE A4; (Double B ; Outlook: Stable / A Four) |
| Total Bank Facilities | 20.48 (Rs. Twenty Crore and Forty-Eight Lakhs Only) | | |

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 09, 2020, placed the rating(s) of Majestic Exports (ME) under the 'issuer non-cooperating' category as ME had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. ME continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 25, 2021, November 04, 2021, November 14, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of ME have been revised on account of non-availability of requisite information.

Detailed description of the key rating drivers

Please refer to PR dated [December 09, 2020](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Firm

Majestic Exports (ME) is a partnership firm established on November 12, 1987 by Mrs .K. Angathal, Mr. K. Kandasamy, Mr. K. Navaneethakrishnan and Mr. K. Shiva Shanmugha Sundaram. The firm is a part of Majestic Group. The firm is engaged in trading and manufacturing of readymade garments like t-shirts and nightwear, for men and women. The group has an installed capacity of 75 lakh pieces per annum, 10 knitting machines, 6 embroidery machines, a washing plant and a solar power plant of 210 KW capacity supported by additional facilities such as embroidery, printing, and washing at their manufacturing facilities located in Tirupur (Tamil Nadu).

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

| Brief Financials (Rs. crore) | 31-03-2020 (A) | 31-03-2021(A) | 9MFY22 (Prov.) |
|------------------------------|----------------|---------------|----------------|
| Total operating income | NA | NA | NA |
| PBILDT | NA | NA | NA |
| PAT | NA | NA | NA |
| Overall gearing (times) | NA | NA | NA |
| Interest Coverage (times) | NA | NA | NA |

A: Audited; Prov.: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Brickwork vide its press release dated October 25, 2021 has continued the rating of ME to the 'Issuer Not Cooperating' category on account of its inability to carry out a review in the absence of requisite information from the firm.

India Ratings vide its press release dated September 16, 2021 has continued the rating of ME to the 'Issuer Not Cooperating' category on account of its inability to carry out a review in the absence of requisite information from the firm.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated for this firm: Annexure-4

Annexure-1: Details of Instruments / Facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|--|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT/ ST-CC/PC/Bill Discounting | | - | - | - | 16.00 | CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | | - | - | March 2023 | 2.34 | CARE BB-; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | | - | - | March 2023 | 2.14 | CARE BB-; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/ Bank Facilities | Current Ratings | | | Rating history | | | |
|---------|--|-----------------|--------------------------------|---|---|--|--|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2021-2022 | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 |
| 1 | Fund-based - LT/ ST-CC/PC/Bill Discounting | LT/ST* | 16.00 | CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (09-Dec-20) | 1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (01-Nov-19) 2)CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* (27-Jun-19) | 1)CARE BBB-; Stable / CARE A3 (07-Feb-19) |
| 2 | Fund-based - LT-Term Loan | LT | 2.34 | CARE BB-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BB; Stable; ISSUER NOT COOPERATING* (09-Dec-20) | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (01-Nov-19) | 1)CARE BBB-; Stable (07-Feb-19) |

| | | | | | | | | |
|---|---------------------------|----|------|---|---|--|---|---------------------------------|
| | | | | | | | 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (27-Jun-19) | |
| 3 | Fund-based - LT-Term Loan | LT | 2.14 | CARE BB-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BB; Stable; ISSUER NOT COOPERATING* (09-Dec-20) | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (01-Nov-19) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (27-Jun-19) | 1)CARE BBB-; Stable (07-Feb-19) |

**Issuer did not cooperate; based on best available information*

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this firm

| Sr. No | Name of instrument | Complexity level |
|--------|--|------------------|
| 1 | Fund-based - LT-Term Loan | Simple |
| 2 | Fund-based - LT/ ST-CC/PC/Bill Discounting | Simple |

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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