

Mahajan Fabrics Private Limited

October 11, 2022

atings

| Facilities / Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|--|---|--|--|
| Long Term Bank Facilities | 12.46 | CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Long Term / Short Term Bank Facilities | 0.21 | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (Single B Minus ; Outlook: Stable/ A Four ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | 4.00 | CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Facilities | 16.67 (Rs. Sixteen Crore and Sixty-Seven Lakhs Only) | | |

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 11, 2021, placed the rating(s) of Mahajan Fabrics Private Limited (MFPL) under the 'issuer non-cooperating' category as MFPL 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. MFPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 27, 2022, July 07, 2022, July 17, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).

Detailed description of the key rating drivers

Please refer to PR dated [August 11, 2021](#)

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 Company

Initially established as a sole proprietorship, in 1993, MFP was reconstituted as a private limited company, in 2008. MFP is currently being managed by Mr. Rajesh Mahajan and Mr. Nikhil Mahajan. The company is engaged in the manufacturing of fabric and readymade garments at its manufacturing facility located in Ludhiana, Punjab.

| Brief Financials (Rs. crore) | FY20(A) | FY21(A) | FY22(Prov.) | H1FY23(Prov.) |
|------------------------------|---------|---------|-------------|---------------|
| Total operating income | 68.61 | 57.51 | NA | NA |
| PBILDT | 3.24 | 2.97 | NA | NA |
| PAT | 0.51 | 0.37 | NA | NA |
| Overall gearing (times) | 1.80 | 2.16 | NA | NA |
| Interest coverage (times) | 1.70 | 1.25 | NA | NA |

A - Audited, Prov. Provisional, NA – Not Available

Status of non-cooperation with previous CRA: Not Applicable

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

*Issuer did not cooperate; Based on best available information

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 company: Annexure 4

Annexure-1: Details of Instruments/ Facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---------------------------------------|------|------------------|-----------------|----------------|-----------------------------|--|
| Fund-based - LT-Term Loan | | - | - | September 2020 | 0.46 | CARE B-; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Cash Credit | | - | - | - | 12.00 | CARE B-; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - LT/ST-Bank Guarantee | | - | - | - | 0.21 | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* |
| Fund-based - ST-EPC/PSC | | - | - | - | 4.00 | CARE A4; 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 (₹ crore) | Rating | Date(s) & Rating(s) assigned in 2022-2023 | Date(s) & Rating(s) assigned in 2021-2022 | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 |
| 1 | Fund-based - LT-Term Loan | LT | 0.46 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jun-20) | - |
| 2 | Fund-based - LT-Cash Credit | LT | 12.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jun-20) | - |
| 3 | Non-fund-based - LT/ST-Bank Guarantee | LT/ST | 0.21 | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (16-Jun-20) | - |
| 4 | Fund-based - ST-EPC/PSC | ST | 4.00 | CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE A4; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE A4; ISSUER NOT COOPERATING* (16-Jun-20) | - |

*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 Company

| Sr. No. | Name of Instrument | Complexity Level |
|---------|--|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |
| 2 | Fund-based - LT-Term Loan | Simple |
| 3 | Fund-based - ST-EPC/PSC | Simple |
| 4 | Non-fund-based - LT/ ST-Bank Guarantee | Simple |

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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