

Maximaa System Limited

July 31, 2020

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|----------------------------|--|--|---|
| Long term Bank Facilities | 6.33 | CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*) | Issuer Not Cooperating; Based on best available information |
| Short term Bank Facilities | 2.00 | CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*) | Issuer Not Cooperating; Based on best available information |
| Total | 8.33 (Rs. Eight Crore and Thirty Three lakh only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated July 22, 2019, placed the rating(s) of Maximaa System Limited (MSL) under the 'issuer non-cooperating' category as MSL had failed to provide information for monitoring of the rating. MSL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 10, 2020. 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 rating takes into account the defaults in debt servicing.

Detailed description of the key rating drivers

At the time of last rating on July 22, 2019 the following were the rating weaknesses (updated for the information available from Bombay stock exchange):

Key Rating Weaknesses

Delay in Debt Servicing: MSL's account has been classified as Non-Performing Asset (NPA) by Bank of India on account of ongoing delay in debt servicing.

Analytical approach: Standalone

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology – Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Incorporated in 1990, Maximaa Systems Limited [(MSL) originally established as a partnership firm in the year 1983] listed on the Bombay Stock Exchange and is engaged in business of manufacturing and trading of different types of industrial storage systems [i.e. lockers, cupboards & steel furniture made of CRC sheets & is in the form of slotted angles, panels of different specifications and design for storing inventory] and IT services. Further the company ventured into manufacturing pharmaceutical formulations making ayurvedic in combination with probiotics.

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

| Brief Financials (Rs. crore) | FY18 (A) | FY19(A) | 9MFY20(UA) |
|------------------------------|----------|---------|------------|
| Total operating income | 12.37 | 11.64 | 1.40 |
| PBILDT | 0.72 | 1.66 | -1.55 |
| PAT | -0.02 | 0.01 | -1.82 |
| Overall gearing (times) | 1.52 | 0.93 | NA |
| Interest coverage (times) | 38.59 | 189 | NM |

A: Audited; UA: Unaudited; NM: Not meaningful; NA: Not Available

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|-----------------------------|------------------|-------------|---------------|-------------------------------|--|
| Fund-based - LT-Term Loan | - | - | - | 1.33 | CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information |
| Fund-based - LT-Cash Credit | - | - | - | 5.00 | CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information |
| Non-fund-based - ST-BG/LC | - | - | - | 2.00 | CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018 |
| 1. | Fund-based - LT-Term Loan | LT | 1.33 | CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information | - | 1)CARE D; ISSUER NOT COOPERATING* (22-Jul-19) | 1)CARE D; ISSUER NOT COOPERATING* (18-Jul-18) | 1)CARE D; ISSUER NOT COOPERATING* (08-May-17) |
| 2. | Fund-based - LT-Cash Credit | LT | 5.00 | CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information | - | 1)CARE D; ISSUER NOT COOPERATING* (22-Jul-19) | 1)CARE D; ISSUER NOT COOPERATING* (18-Jul-18) | 1)CARE D; ISSUER NOT COOPERATING* (08-May-17) |
| 3. | Non-fund-based - ST-BG/LC | ST | 2.00 | CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information | - | 1)CARE D; ISSUER NOT COOPERATING* (22-Jul-19) | 1)CARE D; ISSUER NOT COOPERATING* (18-Jul-18) | 1)CARE D; ISSUER NOT COOPERATING* (08-May-17) |

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us**Media Contact**

Mradul Mishra

Contact No. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com**Analyst Contact**

Mr. Ashish Kambli

Contact No. – +91-22-67543684

Email: ashish.kambli@careratings.com**Relationships Contact**

Mr. Ankur Sachdeva

Cell: + 91 98196 98985

E-mail: ankur.sachdeva@careratings.com

Mr. Saikat Roy

Cell: + 91 98209 98779

E-mail: saiikat.roy@careratings.com**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**