

September 20, 2022

MNR Cottons Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based- Cash Credit	8.00	8.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Fund Based- Term Loan	12.00	12.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term – Non-Fund Based	5.80	5.80	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Total	25.80	25.80	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the rating for the bank facilities of MNR Cottons Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in June 2011, MNR Cottons Private Limited is engaged in production of cotton yarn. The company is promoted by Mr. M. Anantha Reddy and his family members. The company's manufacturing unit is in Pothulamadugu Village in www.icra.in Page | 2 Mahaboobnagar district of Telangana. The company specializes in manufacturing cotton yarn of 30s carded counts. The company commenced its commercial production in June 2013 with a capacity of 13,056 spindles. MCL increased its manufacturing capacity to 16320 spindles in FY2016 at a cost of Rs. 5.27 crore. The Capex was funded through term loan of Rs. 3.42 crore and the rest through equity infusion and cash accruals.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
India Ratings	[IND]BB/[IND]A4+; ISSUER NOT COOPERATING	Oct 16, 2019

Any other information: Not Applicable.

Rating history for past three years

	Instrument	Current Rating (FY2023)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					20-Sept-2022	31-Aug-2021	29-July-2020	22-April-2019
1	Cash Credit	Long Term	8.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Positive); ISSUER NOT COOPERATING
2	Term Loan	Long Term	12.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Positive); ISSUER NOT COOPERATING
3	Non-Fund Based	Long Term	5.80	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Positive); ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non-Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	8.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	12.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	5.80	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: MNR Cottons Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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