

December 14, 2022

Manikanta Cotton Agro Industries: 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	10.50	10.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	0.84	0.84	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Unallocated	4.66	4.66	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	16.00	16.00	

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

^Instrument details are provided in Annexure-1

Rationale

ICRA has retained the long-term ratings of Manikanta Cotton Agro Industries 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 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	NA
Consolidation/Standalone	Standalone

About the company

MCAI was set up as a partnership firm in 2013 by Mr. D. Malla Reddy and Mr. P. Ravinder Reddy and six other partners, with ginning activity as its main operations. MCAI is a TMC unit, involved in extraction of cotton lint and cotton seeds from kapas. The firm has its production facility located at Muthannapeta village, Karimnagar district, Telangana. At present, it is operating 36 gins and one pressing unit with a production capacity of 86,400 bales per annum. The managing partners, Mr. D. Malla Reddy and Mr. P. Ravinder Reddy also serve as managing partners of other textile units namely M/s Saritha Cotton Industries operating with 24 gins, four oil expellers and one pressing machine and M/s Sri Balaji Cotton Industries operating with 40 gins and one pressing unit.

Status of non-cooperation with previous CRA: NA

Any other information: None

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
					14-Dec-2022	30-Nov-2021	05-Oct-2020	03-Oct-2019
1	Cash credit	Long-Term	10.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)
2	Term-Loan	Long-Term	0.84	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)
3	Unallocated	Long-Term	4.66	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term-Loan	Simple
Unallocated	Not Applicable

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: [Click Here](#)

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	NA	NA	NA	10.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term-Loan	NA	NA	NA	0.84	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated limits	NA	NA	NA	4.66	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Manikanta Cotton Agro Industries

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

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About ICRA Limited:

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