

## RATING RATIONALE

7 Jan 2021

### Morarjee Textiles Limited

**Brickwork Ratings Reaffirms the ratings for the Bank Loan Facilities of ₹ 405.03 Crores of Morarjee Textiles Limited (MTL or the ‘Company’) based on best available information, as the issuer did not cooperate.**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (January, 2020)	Present
Fund based	381.03	381.03	Long Term	BWR D	BWR D Issuer Not Cooperating*
Non Fund Based	24.00	24.00	Short Term		
<b>Total</b>	<b>405.03</b>	<b>405.03</b>	<b>INR Four Hundred Five Crores and Three Lakhs Only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate, based on best available information.

Details of Bank facilities provided in Annexure-I

#### Rating: Reaffirmed and migrated to ‘Issuer Not Cooperating’ category

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for review. BWR took up with the issuer/borrower to provide required information over emails and through telephone calls. Despite the best efforts of Brickwork Ratings (BWR) to get at least the minimum required information for a review through email and telephone calls, the entity has not provided the same and remained non-co-operative. In the absence of adequate information from the issuer/borrower, BWR is unable to assess the issuer/borrower’s financial performance and its ability to service its debt and maintain a valid rating. Not responding to information sought for review of rating shows management indifference to compliance and poor corporate governance.

#### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

**KEY FINANCIAL INDICATORS** (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY2019	FY2020
Result Type		Audited	Audited
Operating Revenue	₹ Cr	348.61	382.04
EBITDA	₹ Cr	41.12	45.91
PAT	₹ Cr	-24.55	-26.34
Tangible Net worth	₹ Cr	81.69	58.26
Total Debt/Tangible Net worth	Times	5.55	6.74
Current Ratio	Times	0.80	0.56

**COMPANY PROFILE** [AS AVAILABLE WITH BWR]

Morarjee Textiles Limited was incorporated in the year 1995. The Company has integrated manufacturing plant with spinning (31,568 Spindles), weaving (284 Looms), printing, processing (183 lakh meters) and packing facilities in Nagpur. MTL's fabric segment has two divisions in Nagpur —the shirting division and the printed fabric division (for voile, satin, poplin and other high-end products). MTL is a listed company and the same is listed both on BSE & NSE stock exchanges in India.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY: NIL**

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)**

Instrument / Facilities	Current Rating (2021)			Rating History (Rs. in Crs)								
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	4Jan2020			21Feb2019			23Jan2018		
Bank Loan Facility	FB - LT	381.03	BWR D Issuer Not Cooperating	FB-LT	381.03	BWR D	FB-LT	406.00	BWR BBB (Stable)	FB-LT	447.00	BWR BBB+ (Stable)
	NFB - ST	24.00	BWR D Issuer Not Cooperating	NFB-ST	24.00	BWR D	NFB-ST	24.00	BWR A3	NFB-ST	24.00	BWR A3+
<b>Total</b>		<b>405.03</b>	<b>INR Four Hundred Five Crores and Three Lakhs Only</b>									

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Short Term Debt](#)
- [What Constitutes Non-Cooperation](#)

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**ANNEXURE I**

**Morarjee Textiles Limited  
Details of Bank Facilities rated by BWR**

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Allahabad Bank	Term Loan	104.22	-	<b>104.22</b>
2		Cash Credit	32.00	-	<b>32.00</b>
3		EPC	-	(25.00)	-
4		Buyers Credit	-	(20.00)	-
5		Letter of Credit	-	20.00	<b>20.00</b>
6	Axis Bank	Term Loan	134.87	-	<b>134.87</b>
7	Tata Capital	Term Loan	27.94	-	<b>27.94</b>
8	Saraswat Bank	Cash Credit	19.00	-	<b>19.00</b>
9		Letter of Credit	-	(5.00)	-
10		Bank Guarantee	-	(1.00)	-
11	IDBI Bank	Cash Credit	8.00		<b>8.00</b>
12		Letter of Credit	-	4.00	<b>4.00</b>
13	Kotak Mahindra Bank	PCFC	-	27.00	<b>27.00</b>
14		Cash Credit	3.00		<b>3.00</b>
15		Letter of Credit	-	(27.00)	-
16	ICICI Bank	Cash Credit	25.00	-	<b>25.00</b>
17		PCFC	-	(25.00)	-
<b>TOTAL</b>					<b>405.03</b>

**Total Rupees Four Hundred Crores & Three Lakhs only.**



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