



Press Release

Mohan Clothing Company Private Limited (MCCPL)

August 18, 2017

Rating Update

Total Bank Facilities Rated*	Rs. 75.00 Cr. #
Long Term Rating	SMERA A- Issuer not co-operating*
Short Term Rating	SMERA A1 Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

SMERA has reviewed long-term rating of '**SMERA A-**' (**read as SMERA A minus**) and short term rating of '**SMERA A1**' (**read as 'SMERA A one'**) on the Rs. 75.00 crore bank facilities of Mohan Clothing Company Private Limited. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

The Haryana-based MCPPL was founded by Mr. Mohan and family in 1991 to design and manufacture men apparels. The company's men's clothing line includes formals, casuals, party wear among others under the 'Blackberrys' brand name. The company has an annual manufacturing capacity of 37.5 lakh pieces of suits, trousers and shirts and the current utilization is around 80%.

For FY2014'15, the company reported profit after tax (PAT) of Rs.25.09 crore on operating income of Rs.569.38 crore, as compared with profit after tax (PAT) of Rs.30.94 crore on operating income of Rs.543.70 crore in FY2013'14. MCCPL has reported operating income of Rs.602.72 crore (provisional) for 11 months ended February 2016. The net worth of the company stood at Rs.174.31 crore as on March 31, 2015 against Rs.150.06 crore a year earlier.

Rating History (Upto last three years)

Date	Name of Instrument	Term	Amount (Rs. Cr.)	Ratings/Outlook
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	/ Facilities			
05-Apr-2016	Working Capital	Long Term	INR 30	SMERA A- / Stable
	Term Loan	Long Term	INR 10	SMERA A- / Stable
	Letter of Credit	Short Term	INR 35	SMERA A1

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Working Capital**	Not Applicable	Not Applicable	Not Applicable	30.00	SMERA A- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA A- Issuer not co-operating*
Letter of Credit#	Not Applicable	Not Applicable	Not Applicable	35.00	SMERA A1 Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

**includes sublimit of Cash Credit (Rs.25 crore), Working capital demand loan (Rs.20 crore), Buyer's credit (Rs.10 crore), Usance Letter of Credit (Rs.30 crore), Bank Guarantee (Rs.5 crore) and sight letter of credit (Rs.30 crore)

includes sublimit of Cash Credit, Working capital demand loan and Buyer's credit of Rs.35 crore each.

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.. For more details, please visit www.smera.in.

Disclaimer: *A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.*