

Press Release

Mohan Clothing Company Limited

May 08, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 85.00 Cr. #
Long Term Rating	ACUITE A Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed the long-term rating of '**ACUITE A**' (read as **ACUITE A**) and **Short term rating of ACUITE A1** (read as **ACUITE A one**) on the Rs. 85.00 crore bank facilities of Mohan Clothing Company Limited (MCCL). This rating is now an indicative rating and is based on best available information.

Incorporated in 1991, MCCPL is a Haryana-based company incorporated by Mr. Mohan and family. The company is engaged in the manufacture of men's apparels under the brand name 'Blackberrys'. Its clothing line includes formals, casuals and party wear among others. The company had an annual manufacturing capacity of 37.5 lakh pieces of suits, trousers and shirts as on February 2018.

Non-cooperation by the issuer/borrower

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

Parameters	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	734.91	695.85	626.46
EBITDA	Rs. Cr.	71.62	72.80	68.68
PAT	Rs. Cr.	34.72	32.35	28.85
EBITDA Margin	(%)	9.74	10.46	10.96
PAT Margin	(%)	4.72	4.65	4.60
ROCE	(%)	20.64	26.01	27.37
Total Debt/Tangible Net Worth	Times	0.01	0.05	0.11
PBDIT/Interest	Times	13.34	6.72	6.60
Total Debt/PBDIT	Times	0.04	0.17	0.34
Gross Current Assets (Days)	Days	167	151	157

Status of non-cooperation with previous CRA (if applicable)
Not applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Feb-2018	Letter of Credit #	Short Term	35.00	ACUITE A1 (Reaffirmed)
	Working Capital Demand Loan (WCDL)*	Long Term	40.00	ACUITE A / Stable (Reaffirmed)
	Term Loans	Long Term	10.00	ACUITE A / Stable (Reaffirmed)
05-Feb -2018	Letter of Credit #	Short Term	35.00	ACUITE A1 (Reaffirmed)
	Working Capital Demand Loan (WCDL)*	Long Term	30.00	ACUITE A / Stable (Upgraded)
	Term Loans	Long Term	10.00	ACUITE A / Stable (Upgraded)
18-Aug-2017	Term Loans	Long Term	10.00	ACUITE A- Issuer not cooperating
	Working Capital Demand Loan (WCDL)*	Long Term	30.00	ACUITE A- Issuer not cooperating
	Letter of Credit #	Short Term	35.00	ACUITE A1 Issuer not cooperating
5-April-2016	Term Loans	Long Term	10.00	ACUITE A-Stable (Assigned)
	Working Capital Demand Loan (WCDL)*	Long Term	30.00	ACUITE A-Stable (Assigned)
	Letter of Credit #	Short Term	35.00	ACUITE A1 (Assigned)

*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

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Letter of Credit #	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE A1 Issuer not co-operating*
Working Capital Demand Loan (WCDL)**	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE A Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A 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 Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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