

## Press Release

### Mohan Clothing Company Limited

May 08, 2019

### Rating Update



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

# Refer Annexure for details

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

Acuite 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

Acuite 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 Acuite'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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite 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**

Acuite 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:

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