

## Press Release

### Mohan Clothing Company Private Limited

December 10, 2019

#### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 85.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB+ (Downgraded from ACUITE A) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ (Downgraded from ACUITE A1) Issuer not co-operating*

# Refer Annexure for details

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

Acuité has downgraded the long term rating of Mohan Clothing Company Private Limited (MCCPL) to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE A**' (read as **ACUITE A**). The short term rating has been downgraded to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A1**' (**ACUITE A one**). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated requests.

#### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

#### Any other information

None

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-May-2019	Letter of Credit #	Short Term	35.00	ACUITE A1 Issuer not co-operating*
	Working Capital Demand Loan (WCDL)*	Long Term	40.00	ACUITE A Issuer not co-operating*
	Term Loans	Long Term	10.00	ACUITE A Issuer not co-operating*
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)

\*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

### #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 A4+ (Downgraded from ACUITE A1) Issuer not co-operating*
Working Capital Demand Loan (WCDL)**	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE BB+ (Downgraded from ACUITE A) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from 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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