

Press Release

Mohan Clothing Company Private Limited

May 18, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	50.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	85.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B Minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 85.00 crore bank facilities of Mohan Clothing Company Private Limited (MCCPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Incorporated in 1991, MCCPL is a Haryana-based company promoted 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.

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 the due date.

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

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 endeavored 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

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

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

Not Applicable.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Status of non-cooperation with previous CRA

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.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Feb 2021	Working Capital Demand Loan	Long Term	40.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
10 Dec 2019	Working Capital Demand Loan	Long Term	40.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
08 May 2019	Term Loan	Long Term	10.00	ACUITE A (Issuer not co-operating*)
	Letter of Credit	Short Term	35.00	ACUITE A1 (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	40.00	ACUITE A (Issuer not co-operating*)

21 Feb 2018	Letter of Credit	Short Term	35.00	ACUITE A1 (Reaffirmed)
	Working Capital Demand Loan	Long Term	40.00	ACUITE A Stable (Reaffirmed)
	Term Loan	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	Long Term	30.00	ACUITE A Stable (Upgraded from ACUITE A-)
	Term Loan	Long Term	10.00	ACUITE A Stable (Upgraded from ACUITE A-)
18 Aug 2017	Term Loan	Long Term	10.00	ACUITE A- (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	30.00	ACUITE A- (Issuer not co-operating*)
	Letter of Credit	Short Term	35.00	ACUITE A1 (Issuer not co-operating*)
05 Apr 2016	Term Loan	Long Term	10.00	ACUITE A- Stable (Assigned)
	Working Capital Demand Loan	Long Term	30.00	ACUITE A- Stable (Assigned)
	Letter of Credit	Short Term	35.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
CITI Bank	Not Applicable	Term Loan	Not available	Not available	Not available	10.00	ACUITE BB- Downgraded Issuer not co-operating*
CITI Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	40.00	ACUITE BB- Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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