

Press Release

Mangal Cotton Mills Private Limited

July 11, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	27.00	-	-
Total Withdrawn Quantum (Rs.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)** on Rs. 27.00 Cr bank facilities of Mangal Cotton Mills Private Limited (MCMPL). This rating is flagged as issuer not cooperating and is based on best available information.

About the Company

The Gujarat based company incorporated in 1979, Mangal Cotton Mills Private Limited (MCPL), erstwhile known as Rachana Fabrics Private Limited. The company has been engaged in providing machineries on rental basis used for laser multi drive computerized embroidery until February 2018. Further, from February 2018, the company has been doing dyeing, printing and embroidery on all kinds of cotton, polyester and blended fabrics. The company is promoted by Mr. Motilal Sekhani, Mr. Rinish Sekhani and Mr. Gunjan Sekhani

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

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

Rating Sensitivities

"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

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Dec 2020	Cash Credit	Long Term	4.80	ACUITE BB Stable (Assigned)
	Proposed Bank Facility	Long Term	8.76	ACUITE BB Stable (Upgraded from ACUITE B)
	Term Loan	Long Term	5.02	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	0.22	ACUITE BB Stable (Upgraded from ACUITE B)
	Term Loan	Long Term	8.20	ACUITE BB Stable (Assigned)
30 Sep 2020	Proposed Bank Facility	Long Term	25.28	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	1.72	ACUITE B (Issuer not co-operating*)
04 Jul 2019	Proposed Bank Facility	Long Term	25.28	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	1.72	ACUITE B (Issuer not co-operating*)
20 Apr 2018	Term Loan	Long Term	1.72	ACUITE B Stable (Assigned)
	Proposed Bank Facility	Long Term	25.28	ACUITE B Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Saraswat Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.80	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	8.76	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	8.20	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Saraswat Bank	Not Applicable	Term Loan	Not available	Not available	Not available	5.02	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.22	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

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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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