

Press Release

Monga Brothers Limited (MBL)

November 15, 2017



Rating Update

Total Bank Facilities Rated*	Rs. 14.27 #
Long Term Rating	SMERA BB- Issuer not co-operating*
Short Term Rating	SMERA A4+ Issuer not co-operating*

Refer Annexure for details

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

SMERA has reviewed long-term and short-term rating of 'SMERA BB-' (read as SMERA double B minus) and 'SMERA A4+' (read as SMERA A four plus) on the above bank facilities of Monga Brothers Limited (MBL). This is an indicative rating.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance and review of the rating. However, the issuer/borrower failed to submit required documents before due date.

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

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing entities - <https://www.smera.in/criteria-manufacturing.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). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity

MBL, established in 1966, is a Ludhiana-based company promoted by Mr. Sanjay Kumar Gupta and Mr. Mukesh Gupta. The company is engaged in the production of rough steel forgings, squares and bars.

For FY2015–16, the company reported profit after tax (PAT) of Rs.0.39 crore on operating income of Rs.94.67 crore, as compared with PAT of Rs.0.12 crore on operating income of Rs.78.46 crore in FY2014-15. The net worth stood at Rs.7.96 crore as on March 31, 2016 while it was Rs.7.34 crore a year earlier.

Rating history (last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
18 -July - 2016	Term Loan	Long Term	0.08	SMERA BB-/ Stable (Upgraded)
	Cash Credit	Long Term	11.00	SMERA BB-/ Stable (Upgraded)
	Letter of Credit	Short Term	3.00	SMERA A4+ (Upgraded)
	Proposed Long Term Loan	Long Term	0.19	SMERA BB-/ Stable (Assigned)
08-June- 2015	Term Loan	Long Term	0.27	SMERA B+/ Stable (Upgraded)
	Cash Credit	Long Term	11.00	SMERA B+/ Stable (Upgraded)
	Letter of Credit	Short Term	3.00	SMERA A4 (Reaffirmed)
28-May -2014	Cash Credit	Long Term	11.00	SMERA B/ Stable (Assigned)
	Term Loan	Long Term	0.27	SMERA B/ Stable (Assigned)
	Letter of Credit	Short Term	3.00	SMERA A4 (Assigned)

#Annexure - Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.08	SMERA BB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.00	SMERA BB- Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	SMERA A4+ Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.19	SMERA BB- Issuer not co-operating*

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

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ABOUT SMERA

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