



Press Release

Monga Brothers Limited

January 10, 2019

Rating Update

Total Bank Facilities Rated*	Rs. 14.27 Cr.#
Long Term Rating	ACUITE BB- Issuer not co-operating*
Short Term Rating	ACUITE A4+ 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 BB-**' (read as **ACUITE double B minus**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 14.27 crore bank facilities of Monga Brothers Limited (MBL). This rating is now an indicative rating and is based on best available information.

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.

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/view-rating-criteria-17.htm>
- Manufacture Recognition - <https://www.acuite.in/view-rating-criteria-4.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

	Unit	FY15 (Actual)	FY14 (Actual)	FY13 (Actual)
Operating Income	Rs. Cr.	78.43	76.86	93.11
EBITDA	Rs. Cr.	2.41	2.36	2.47
PAT	Rs. Cr.	0.25	0.21	0.16
EBITDA Margin	(%)	3.08	3.07	2.66
PAT Margin	(%)	0.32	0.27	0.17
ROCE (%)	(%)	9.21	9.92	9.61
Total Debt/Tangible Net Worth	Times	2.50	2.32	3.83
PBDIT/Interest	Times	1.51	1.37	1.34
Total Debt/PBDIT	Times	6.54	5.64	7.18
Gross Current Assets (Days)	Days	105	107	100

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

None

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
15-Nov-17	Term Loan	Long Term	0.08	ACUITE BB- Issuer not co-operating*
	Cash Credit	Long Term	11.00	ACUITE BB- Issuer not co-operating*
	Letter of Credit	Short Term	3.00	ACUITE A4+ Issuer not co-operating*
	Proposed Term Loan	Long Term	0.19	ACUITE BB- Issuer not co-operating*
18-Jul-16	Term Loan	Long Term	0.08	ACUITE BB-/Stable (Upgraded)
	Cash Credit	Long Term	11.00	ACUITE BB-/Stable (Upgraded)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Upgraded)
	Proposed Term Loan	Long Term	0.19	ACUITE BB-/Stable (Assigned)
08-Jun-15	Term Loan	Long Term	0.27	ACUITE B+/Stable (Upgraded)
	Cash Credit	Long Term	11.00	ACUITE B+/Stable (Upgraded)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Reaffirmed)

*Annexure – Details of instruments rated

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

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head–Corporate and Infrastructure Sector Ratings Tel:022- 49294041 aditya.gupta@acuite.in Disha Parmar Analyst - Rating Operations Tel: 022- 49294064 disha.parmar@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

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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