

Press Release

Monga Brothers Limited

June 02, 2021

Rating Update



Total Bank Facilities Rated*	Rs. 14.27 Cr.#
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

*Refer Annexure for details

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

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and short-term rating to **ACUITE A4** (read as **ACUITE A four**) from **ACUITE A4+** (read as **ACUITE A four plus**) on the Rs. 14.27 crore bank facilities of Monga Brothers Limited (MBL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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 the 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-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). 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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

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)

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
6th Mar 20	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*
10th Jan 19	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*
15th 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*

*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 Available	Not Available	Not Available	0.08	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	0.19	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Aishwarya Phalke Senior Analyst – Rating Operations Tel: 022-49294031 aishwarya.phalke@acuite.in	Varsha Bist Senior Manager – Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.