

Mandhana Industries Ltd

February 3, 2017

Ratings

Bank Facilities / Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	879.63	CARE D (Single D)	Reaffirmed
Short-term Bank Facilities	87.50		
Non-Convertible Debentures	57.00	CARE D (Single D)	Revised from CARE C (Single C)
Total	1,024.13 (Rupees One Thousand Twenty Four crore and Thirteen lakh only)		

Details of facilities in Annexure-1

Detailed Rationale

The revision in the ratings assigned to the non-convertible debentures (NCDs) of Mandhana Industries Limited (MIL) takes into account delays in servicing of its debt obligations on account of stretched liquidity position. Furthermore, reaffirmation of the rating of the bank facilities factors in continued delays in servicing debt obligation on account of stretched liquidity position.

MIL's ability to improve its cash flows and regularize its debt servicing are the key monitorables.

Analytical Approach: Standalone

Applicable criteria:

1. [Criteria on assigning Outlook to Credit Rating](#)
2. [CARE's default recognition policy](#)
3. [Financial ratios - Non Financial Sector](#)

About the Company

Mandhana Industries Ltd (MIL) is engaged primarily in manufacturing of textile fabric (grey and finished fabric). As on March 31, 2015, MIL had a yarn dyeing capacity of 4.3 mn kg per annum, weaving capacity of 36 mn mtrs of grey fabric per annum, fabric processing capacity of 72.60 mn mtrs per annum and garmenting capacity of 6.60 mn pieces per annum. The garmenting facility is located at Bangalore while all other facilities are located at MIDC, Tarapur. Apart from this, MIL has also commenced 1 mn piece garmenting facility at Baramati in March 2015. Sale of fabric (Textile division) is the major revenue contributor and contributed around 88% of total revenues in FY16 (80% in FY15; refers to the period April 1 to March 31); the rest is contributed by sale of garments.

During FY16, MIL reported operating revenue of Rs.1,663.28 crore and a PAT of Rs.57.13 crore as against an operating revenue and PAT of Rs.1,561.04 crore and Rs.62.72, respectively, in FY15.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History: Please refer Annexure-2

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1

Details of Instruments/Facilities :-

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	March, 2024	30.75	CARE D
Fund-based-LT Working Capital Limits	-	-	-	602.50	CARE D
Non-fund-based ST-LC/BG	-	-	-	87.50	CARE D
Secured Redeemable NCD	15.03.2013	12.75%	15.03.2017	6.00	CARE D
Secured Redeemable NCD	15.03.2013	12.75%	15.03.2018	8.00	
Secured Redeemable NCD	28.03.2013	12.75%	28.03.2017	1.50	
Secured Redeemable NCD	28.03.2013	12.75%	28.03.2017	2.00	
Secured Redeemable NCD	28.03.2013	12.75%	28.03.2017	7.50	
Secured Redeemable NCD	28.03.2013	12.75%	28.03.2017	10.00	
Secured Redeemable NCD	28.03.2013	12.25%	28.09.2016	3.00	
Secured Redeemable NCD	28.03.2013	12.25%	28.09.2016	3.00	
Secured Redeemable NCD	28.03.2013	12.25%	28.09.2017	3.00	
Secured Redeemable NCD	28.03.2013	12.25%	28.03.2018	3.00	
Secured Redeemable NCD	28.03.2014	12.75%	03.10.2016	3.00	
Secured Redeemable NCD	28.03.2014	12.75%	03.10.2017	3.00	
Secured Redeemable NCD	28.03.2014	12.75%	03.10.2018	4.00	

Annexure-2

Rating History for last three years:-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015	Date(s) & Rating(s) assigned in 2013-2014
1.	Fund-based - LT-Term Loan	LT	277.13	CARE D	1)CARE D (20-Jul-16) 2)CARE BBB+ (10-Jun-16)	1)CARE A (14-Jan-16)	1)CARE A (14-Oct-14) 2)CARE A (07-Oct-14)	1)CARE A (03-Jul-13)
2.	Fund-based - LT-Cash Credit	LT	602.50	CARE D	1)CARE D (20-Jul-16) 2)CARE BBB+ (10-Jun-16)	1)CARE A (14-Jan-16)	1)CARE A (14-Oct-14) 2)CARE A (07-Oct-14)	1)CARE A (03-Jul-13)
3.	Non-fund-based - ST-BG/LC	ST	87.50	CARE D	1)CARE D (20-Jul-16) 2)CARE A3+ (10-Jun-16)	1)CARE A1 (14-Jan-16)	1)CARE A1 (14-Oct-14) 2)CARE A1 (07-Oct-14)	1)CARE A1 (03-Jul-13)
4.	Debentures-Non Convertible Debentures	LT	57.00	CARE D	1)CARE C (20-Jul-16) 2)CARE BBB+ (10-Jun-16)	1)CARE A (14-Jan-16)	1)CARE A (07-Oct-14)	1)CARE A (03-Jul-13)

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