

Mandhana Industries Ltd

April 01, 2019

Rating	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	879.63(879.63)	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
Short-term Bank Facilities	87.50(87.50)	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information
Total	967.13 (Rupees Nine hundred Sixty Seven crore and Thirteen lakh only)		
Non-Convertible Debentures	57.00(57.00)	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer Not cooperating; Based on best available information

Details of facilities in Annexure-1

Detailed Rationale and Key Rating Drivers

CARE has been seeking information from Mandhana Industries Limited (MIL) to monitor the ratings vide e-mail communications dated October 31, 2018, November 30, 2018, December 31, 2018, January 01, 2019, January 03, 2019, January 07, 2019, February 05, 2019, February 07, 2019, February 26, 2019 and several other emails. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, Mandhana Industries Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Mandhana Industries Limited's bank facilities will now be denoted as **CARE D/CARE D; Issuer Not Cooperating***

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed Rationale & Key Rating Drivers

At the time of last rating on January 17, 2018 the following were the rating weaknesses

Key Rating Weaknesses

The rating assigned to the bank facilities of Mandhana Industries Limited (MIL) 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

[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Criteria for Short Term Instruments](#)
[Financial ratios – Non-Financial Sector](#)
[Rating Methodology-Manufacturing Companies](#)

About the Company

Mandhana Industries Ltd (MIL) is engaged primarily in manufacturing of textile fabric (grey and finished fabric). 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 a 1 mn piece garmenting facility at Baramati.

Brief Financials - (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	520.27	327.84
PBILDT	-558.33	-580.15
PAT	-728.48	-799.10
Overall gearing (times)	N.M.	N.M.
Interest coverage (times)	N.M.	N.M.

N.M.-Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any Other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

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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**For detailed Rationale Report and subscription information, please contact us at www.careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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	-	-	-	277.13	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	602.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	87.50	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	-	-	-	57.00	CARE D; ISSUER NOT COOPERATING*

*issuer-did not cooperate Based on best information available

Annexure-2: Rating History of 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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	277.13	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)	1)CARE D (03-Feb-17) 2)CARE D (20-Jul-16) 3)CARE BBB+ (10-Jun-16)	1)CARE A (14-Jan-16)
2.	Fund-based - LT-Cash Credit	LT	602.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)	1)CARE D (03-Feb-17) 2)CARE D (20-Jul-16) 3)CARE BBB+ (10-Jun-16)	1)CARE A (14-Jan-16)
3.	Non-fund-based - ST-BG/LC	ST	87.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)	1)CARE D (03-Feb-17) 2)CARE D (20-Jul-16) 3)CARE A3+ (10-Jun-16)	1)CARE A1 (14-Jan-16)
4.	Debentures-Non Convertible Debentures	LT	57.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)	1)CARE D (03-Feb-17) 2)CARE C (20-Jul-16) 3)CARE BBB+ (10-Jun-16)	1)CARE A (14-Jan-16)

*issuer-did not cooperate Based on best information available

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