

Press Release

Rajdhani Crafts Industries Private Limited

December 17, 2018



Rating Update

Total Bank Facilities Rated	Rs. 41.51 Cr. #
Long Term Rating	ACUITE B+ 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.

Acuité has reviewed long-term rating of „**ACUITE B+** (read as **ACUITE B plus**) and short term rating of **‘ACUITE A4’ (read as ACUITE A four)** on the Rs. 41.51 crore bank facilities of Rajdhani Crafts Industries Private Limited (RCIPL). This rating is now an indicative rating and is based on best available information.

The Jaipur-based Rajdhani Group (RG) established in 1964, is engaged in the manufacture and export of wooden furniture products and handicraft items. The group comprises Rajdhani Crafts Industries Private Limited (RCIPL) and Rajdhani Crafts (RC). The group sells its products under the brandname "Rajdhani". RG was promoted by the Jaipur-based Mr Agarwal and family and has presence in the wooden furniture industry for over five decades. The day-to-day operations of the group are led by Mr. Samir Agarwal and Mr. Sudhir Agarwal. As informed by the management, Rajdhani Crafts Industries Private Limited has taken over the operations of Rajdhani Crafts from April,2017.

Non-cooperation by the issuer/borrower

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.htm>
- Consolidation Of Companies - <https://www.acuite.in/view-rating-criteria-22.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité 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	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	63.16	64.83	47.45
EBITDA	Rs. Cr.	9.10	7.89	9.70
PAT	Rs. Cr.	1.20	-0.22	1.85
EBITDA Margin	(%)	14.41	12.17	20.44
PAT Margin	(%)	1.90	-0.34	3.90
ROCE (%)	(%)	8.07	6.92	9.82
Total Debt/Tangible Net Worth	Times	2.35	2.34	1.62
PBDIT/Interest	Times	1.57	1.32	1.70
Total Debt/PBDIT	Times	6.56	7.87	5.08
Gross Current Assets (Days)	Days	338	332	432

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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
12-Oct-2017	Cash Credit#	Long Term	5.00	ACUITE B+ / Stable (Downgraded)
	Secured Overdraft	Long Term	9.40	ACUITE B+ / Stable (Downgraded)
	Packing Credit*#	Short Term	27.11	ACUITE A4 (Downgraded)
	Term Loan	Long Term	1.31	ACUITE B+ / Stable Withdrawn
14-Mar-2016	Cash Credit	Long Term	5.00	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	1.31	ACUITE BB- / Stable (Assigned)
	Secured Overdraft	Long Term	12.20	ACUITE BB- / Stable (Assigned)
	Packing Credit	Short Term	22.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Assigned)

*Includes sublimit of FOBR/FOBNLC/FOUBP to the extent of Rs.8.00 crore,

#includes sublimit of ILC/FLC/ILG to the extent of Rs.2.50crore.

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit#	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B+ Issuer not co-operating*
Overdraft	Not Applicable	Not Applicable	Not Applicable	9.40	ACUITE B+ Issuer not co-operating*
PC/PCFC*#	Not Applicable	Not Applicable	Not Applicable	27.11	ACUITE A4 Issuer not co-operating*

*Includes sublimit of FOBR/FOBNLC/FOUBP to the extent of Rs.8.00 crore,

#includes sublimit of ILC/FLC/ILG to the extent of Rs.2.50crore.

*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 Aditi Ashwin Shah Analyst - Rating Operations Tel: 02249294063 Aditi.Shah@acuiteratings.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.

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.