

Press Release

Rayon Textile India Private Limited

September 14, 2018

Rating Update



Total Bank Facilities Rated	Rs. 8.10 Cr.#
Long Term Rating	ACUITE BB- Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) to the Rs.8.10 crore bank facilities of Rayon Textile India Private Limited (RTIPL). This rating is now an indicative rating and is based on best available information.

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/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.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 endeavored 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:

The Madhya Pradesh-based, RTIPL was incorporated in 2009 by Mr. Shekhar Chand Patni, Mr. Sanjay Patni and Mr. Jugal Kishore Jain. The company is engaged in the manufacturing of cotton yarn and trading of cotton bales and seeds at Barwani. The installed capacity stands at 30,000 quintals.

For FY2016-17(Provisional), RTIPL reported net profit of Rs.0.89 crore on operating income of Rs.43.30 crore compared with profit after tax (PAT) of Rs.0.54 crore on operating income of Rs.45.55 crore in FY2015-16. The tangible net worth stood at Rs.6.51 crore as on 31 March, 2017 (Provisional) as against Rs.5.92 crore a year earlier.

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

CRISIL, vide its press release dated August 03, 2018 had denoted the rating of Rayon Textile India Private Limited as 'CRISIL B+/Stable A4; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
09-Aug-17	Cash Credit	Long term	7.00	ACUITE BB-/Stable (Reaffirmed)
	Term Loans	Long term	1.10	ACUITE BB-/Stable (Reaffirmed)
14-May-2016	Cash Credit	Long term	7.00	ACUITE BB-/Stable (Assigned)
	Term Loans	Long term	1.10	ACUITE BB-/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB-Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.10	ACUITE BB-Issuer not co-operating*

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

Contacts

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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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