

Press Release

R R Dyeing

July 10, 2024

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.50	ACUITE B Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	8.50	-	-

Rating Rationale

Acuite has downgraded the long-term rating to **'ACUITE B' (read as ACUITE B)** from **'ACUITE B+' (read as ACUITE B plus)** on the Rs. 8.50 crore bank facilities of R R Dyeing on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

R R Dyeing, was established in 2003, is a Tamil Nadu-based partnership concern engaged in the dyeing and printing of grey fabrics. The company is promoted by Mr. R. Ravi, Mr. R. Raju and Mr. R. Ramu. The firm derives 40 percent revenue from dyeing services provided to its group companies - R R Knitting & Sons and Fashion Knits.

About the Group

The R R Group is a Tamil Nadu-based group engaged in the manufacturing of knitted garments and dyeing and printing of grey cloth. The group consists of three firms viz. R R Dyeing (RRD), R R Knitting & Sons (RRKS) and Fashion Knits (FK) and exports majorly to Europe. R R Dyeing (RRD), established in 2003, is a Tamil Nadu-based partnership concern engaged in the dyeing and printing of grey fabrics. The company is promoted by Mr. R. Ravi, Mr. R. Raju and Mr. R. Ramu. The firm derives 40 percent revenue from dyeing services provided to its group companies - R R Knitting & Sons (RRKS) and Fashion Knits (FS). R R Knitting and Sons (RRKS), established in 2011, is a Tamil Nadu based partnership concern engaged in the manufacturing of knitted garments. The company is promoted by Mr. R. Ravi, Mr. R. Raju and Mr. R. Ramu who possess over two decades of experience in the textile industry. The firm purchases yarn and converts the same into grey cloth. The firm outsources its dyeing work to R R Dyeing, a group firm. Fashion Knits (FK), established in 1991, promoted by Mr. Ramu Raju and Mr. Balasubramaniam Shanmugasundaram is a Tamil Nadu-based partnership concern engaged in manufacturing of knitted garments. The firm's operation includes purchasing yarn and converting it into the grey cloth and dyeing fabrics. It outsources the work for dyeing to its group company R R Dyeing.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuite Ratings & Research Limited

www.acuite.in

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of

the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Apr 2023	Cash Credit	Long Term	5.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	3.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
19 Jan 2022	Term Loan	Long Term	3.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	5.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.50	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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