



Press Release
R R Dyeing
October 31, 2024
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.50	ACUITE C Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	8.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded its long-term rating to ‘**ACUITE C**’ (read as **ACUITE Cf**) from ‘**ACUITE B**’ (read as **ACUITE B**) on the Rs. 8.50 Crore bank facilities of R R Dyeing. The rating continues to be flagged as “Issuer Not Co-operating” and is based on the best available information.

Acuite has taken a consolidated approach for R R Dyeing along with its two other group entities, Fashion Knits and R R Knitting & Sons. Recently, Fashion Knits has delayed its debt servicing, as indicated by publicly available information. In view of this delay, the rating is being downgraded for this entity.

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:

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.

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

Key Financials

Particulars	Unit	FY 16 (Actual)	FY 15 (Actual)
Operating Income	Rs. Cr.	126.86	112.97
PAT	Rs. Cr.	2.55	1.63
PAT Margin	(%)	2.01	1.45
Total Debt/Tangible Net Worth	Times	1.69	1.74
PBDIT/Interest	Times	1.85	1.52

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. Acuité'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
10 Jul 2024	Cash Credit	Long Term	5.00	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+)
	Term Loan	Long Term	3.50	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+)
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-)

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

Annexure - Details of instruments rated

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

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

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Name of the companies
1	Fashion Knits
2	R R Knitting and Sons
3	R R Dyeing

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Sahil Sawant Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

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. Ratings assigned by Acuité 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. Ratings assigned by Acuité 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. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.