

Press Release

Rainbow Enterprises

November 20, 2018

Rating Update



Total Bank Facilities Rated	Rs. 15.00 Cr. #
Long Term Rating	ACUITE B+ Issuer non-cooperating*

* Refer Annexure for details

Rating Rationale

Acuite has reviewed the long term rating of „**ACUITE B+**“ (read as **ACUITE B plus**) on the Rs. 15.00 crore bank facilities of Rainbow Enterprises. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

Acuite 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 Acuite’s policies.

Applicable criteria

Default Recognition - <https://www.acuite.in/view-rating-criteria-17.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based

About the Rated Entity

Rainbow Enterprises, a Chennai-based proprietorship concern, was established in 2007 by Ms. U. Thiruselvi. The constitution was changed to a partnership firm in 2012 and Ms. Sumithra joined in as a partner. The firm is engaged in the trading of tiles and sanitary ware in Chennai.

About the Rated Entity - Key Financials

	Unit	FY17(Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	50.67	34.03	25.95
EBITDA	Rs. Cr.	2.04	1.12	0.54
PAT	Rs. Cr.	0.75	0.39	0.21
EBITDA Margin	(%)	4.03	3.30	2.08
PAT Margin	(%)	1.49	1.14	0.82
ROCE	(%)	16.59	13.85	11.33
Total Debt/Tangible Net Worth	Times	8.53	9.83	8.88
PBDIT/Interest	Times	1.59	1.55	1.70
Total Debt/PBDIT	Times	6.41	8.00	10.29

Gross Current Assets (Days)	Days	107	115	90
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Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite 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
13-Sep-2017	Cash Credit	Long Term	8.00	ACUITE B+ / Stable (Assigned)
	Proposed Cash Credit	Long Term	7.00	ACUITE B+ / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE B+ Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE B+ Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Head–Corporate and Infrastructure Sector Rating" s Tel: 033-6620-1203 pooja.ghosh@acuite.in Swati Banthia Analyst - Rating Operations Tel: 033-6620-1211 swati.banthia@acuiterratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite 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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