

Press Release

Raghavendra Automation Private Limited

November 14, 2018

Rating Update



Total Bank Facilities Rated	Rs. 11.00 Cr. #
Long Term Rating	ACUITE BB- 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.

Acuite has reviewed long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs. 11.00 crore bank facilities of Raghavendra Automation Private Limited (RAPL). This rating is now an indicative rating and is based on best available information.

RAPL was established as proprietorship concern in 1985 and later converted to private limited in 1993. The company sets up LPG bottling plants for oil companies across India. The company caters to IOCL (Indian Oil Corporation Limited), BPCL (Bharat Petroleum Corporation Limited) and HPCL (Hindustan Petroleum Corporation Limited). The day-to-day operations are managed by Mr. M. Sridharan.

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/criteria-default.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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 - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	20.29	5.70	1.66
EBITDA	Rs. Cr.	1.65	0.53	0.28
PAT	Rs. Cr.	0.82	0.17	0.00
EBITDA Margin	(%)	8.14	9.27	16.96
PAT Margin	(%)	4.02	2.97	-0.14
ROCE (%)	(%)	24.74	9.59	4.75
Total Debt/Tangible Net Worth	Times	0.59	0.59	0.11
PBDIT/Interest	Times	6.13	3.25	5.03
Total Debt/PBDIT	Times	1.36	2.89	1.03
Gross Current Assets (Days)	Days	140	412	499

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

CRISIL Limited in its press release dated July 25, 2015 had inter-alia mentioned the following: 'CRISIL has suspended its ratings on the bank facilities of Raghavendra Automation Pvt Ltd (RAPL). The suspension of ratings is on account of non-cooperation by RAPL with CRISIL's efforts to undertake a review of the ratings outstanding. Despite repeated requests by CRISIL, RAPL is yet to provide adequate information to enable CRISIL to assess RAPL's ability to service its debt. The suspension reflects CRISIL's inability to maintain a valid rating in the absence of adequate information. CRISIL considers information availability risk as a key credit factor in its rating process and non-sharing of information as a first signal of possible credit distress, as outlined in its criteria 'Information Availability Risk in Credit Ratings'

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
16-Sep-2017	Cash Credit	Long Term	4.50	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	0.70	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	0.18	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	0.62	ACUITE BB- / Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)

#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	4.50	ACUITE BB-Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.70	ACUITE BB-Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.18	ACUITE BB-Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.62	ACUITE BB-Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in Debalina Maity Analyst - Rating Operations Tel: 033-66201212 debalina.maity@acuite.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.

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