

Press Release

Ruhatiya Cotton and Metal Private Limited

October 11, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	16.77	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	16.77	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 16.77 crore bank facilities of RUHATIYA COTTON AND METAL PRIVATE LIMITED (RCM). The rating has been flagged as "Issuer Not-Cooperating" and is based on the best available information, and downgraded on account of information risk

About the Company

RCM, incorporated in 1984, by Mr. Shivprakash Ruhatiya, Mr. Ajayprakash Ruhatiya and Mr. Shriprakash K Agarwal, is an Akola (Maharashtra) based company and is engaged in manufacturing, trading and exporting of cotton bales. The company derives ~30 per cent of its income through processed cotton, while rest of its income is derived from trading in cotton bales and other agro-based products such as soya oil seeds, cattle feed and also trading of rice.

About the Group

Ruhatiya Group comprising of Narmada Solvex Private Limited, Kaluram Food Products Private Limited, Ruhatiya Cotton & Metal Private Limited, Ruhatiya Spinners Private Limited, Ruhatiya Hospitals Private Limited, Kaluram Laminates Private Limited, Vidarbha Textile Mill Owners Association, Omprakash Shivprakash and Ruhatiya Agro Private Limited was established in 1995 by Mr. Shivprakash Ruhatiya, Mr. Ajayprakash Ruhatiya and Mr. Shriprakash K Agarwal. The group has presence in the oil industry, textile industry and agro industry, among others. The manufacturing facility of the group is located at Akola (Maharashtra).

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. The rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavored 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.

Rating Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook

Not applicable.

Key Financials:

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

Status of non-cooperation with previous CRA

CRISIL vide its press release dated 22nd February 2022, has classified RCM as 'Issuer Not Cooperating' and rated 'CRISIL B/Stable/'.

Any other information

None.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jul 2021	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	1.77	ACUITE BBB- Stable (Assigned)
07 Oct 2019	Cash Credit	Long Term	11.50	ACUITE BB+ Stable (Reaffirmed)
20 Nov 2018	Cash Credit	Long Term	11.50	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Union Bank of India	Not Applicable	Term Loan	30-03-2020	Not available	30-06-2024	1.77	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

Contacts

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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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