



**Press Release**  
**Rishi Fibers Private Limited**  
**July 27, 2023**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-

**Rating Rationale**

Acuite has downgraded its long term rating to **Acuite BB+( read as Acuite double B plus)** from **Acuite BBB (Read as Acuite Triple B)** on the Rs.30.00 crore bank facilities of Rishi Fibres Private Limited. The rating is now an indicative rating and is based on the best available information. The rating is downgraded because of information risk.

**About the Company**

Rishi Fibers Private Limited (RFPL) based of Aurangabad was incorporated in 2011. The company is part of 'Riddhi Siddhi Group' having long standing established track record of over three decades in the Cotton Industry. The company is processing and trading of raw cotton, cotton seeds, cotton bales & yarn. The manufacturing unit is located at Jamnagar (Gujarat) and Aurangabad (Maharashtra). The unit has capacity of 4.30 lakhs quintal for ginning and spinning unit. The company is managed by Agarwal family; Mr. Gopal Agrawal, Mr. Shyam Agrawal and Mr. Sanjay Agrawal being the key promoters.

**About the Group**

Riddhi siddhi group has an established presence in textile industry and is known for cotton trade in Madhya Pradesh and Maharashtra. The group is managed by Agarwal family; Mr. Gopal Agrawal, Mr. Shyam Agrawal and Mr. Sanjay Agrawal being the key promoters. The group is engaged in Cotton Ginning, Pressing, Trading, Processing of Raw Cotton & Yarn Carded & allied activities. The group is having presence in Group owns 4 Ginning and pressing units and 7 Spinning Units (Leased basis) at different states in Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu, Kerala and Karnataka. It is expanding to other cotton growing areas.

**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 the complete 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. This 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 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.

**Rating Sensitivities**

Sufficient information not provided by the issuer / available for Acuité to comment upon.

**Material Covenants**

Not Applicable

**Liquidity Position**

Sufficient information not provided by the issuer / available for Acuité to comment upon.

**Outlook**

Not applicable

## Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	3820.29	688.12
PAT	Rs. Cr.	35.50	7.61
PAT Margin	(%)	0.93	1.11
Total Debt/Tangible Net Worth	Times	0.95	1.57
PBDIT/Interest	Times	4.11	1.77

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None.

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 May 2022	Cash Credit	Long Term	8.00	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	22.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
08 Feb 2021	Cash Credit	Long Term	22.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
11 Mar 2020	Cash Credit	Long Term	22.00	ACUITE BB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	22.00	ACUITE BB+   Downgraded   Issuer not co-operating*
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE BB+   Downgraded   Issuer not co-operating*

## 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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