



Press Release

Riddhi Siddhi Cotex 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	75.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	20.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	95.00	-	-

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)** and short-term rating to **Acuite A4+(read as Acuite A four plus)** from **Acuite A2 (read as Acuite A two)** on the Rs.95.00 crore bank facilities of Riddhi Siddhi Cotex 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

Riddhi Siddhi Cotex Pvt. Ltd. (RSCL) based of Aurangabad was incorporated in 2008. 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 engaged in processes raw cotton and trades in ginned cotton and cotton seeds. The company is also into spinning of cotton bales. The manufacturing unit is located at Ahmednagar, Tamil Nadu and Kerala. The unit has capacity of 6.87 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 keypromoters.

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). Acuité endeavoured 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 Sensitivities

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

Material Covenants

None

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

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

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, Acuité 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 May 2022	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	40.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	30.00	ACUITE BBB Stable (Assigned)
	Packing Credit	Short Term	20.00	ACUITE A2 (Assigned)
08 Feb 2021	Cash Credit	Long Term	40.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
11 Mar 2020	Cash Credit	Long Term	40.00	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
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	ACUITE BB+ Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE BB+ Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE A4+ Downgraded Issuer not co-operating*

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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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