



Press Release
Riddhi Siddhi Cotex Private Limited
October 24, 2024
Rating Downgraded, Reaffirmed 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+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	95.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE BB**’ (read as **ACUITE double Bf**) from ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) and reaffirmed the short-term rating of ‘**ACUITE A4+**’ (read as **ACUITE A four plus**) on the Rs.95.00 crore bank facilities of Riddhi Siddhi Cotex Private Limited on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the best available information.

About the Company

RIDDHI SIDDHI COTEX PRIVATE LIMITED (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 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.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité 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. Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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 Acuité’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 endeavored 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 ratings based.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	502.64	2696.30
PAT	Rs. Cr.	2.08	49.44
PAT Margin	(%)	0.41	1.83
Total Debt/Tangible Net Worth	Times	1.33	0.77
PBDIT/Interest	Times	1.63	8.60

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Jul 2023	Cash Credit	Long Term	40.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	PC/PCFC	Short Term	20.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
04 May 2022	PC/PCFC	Short Term	20.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	40.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE BBB Stable (Assigned)
08 Feb 2021	Cash Credit	Long Term	40.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)

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

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4+ Reaffirmed Issuer not co-operating*

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

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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