



Press Release

Railfab Technologies Private Limited (Erstwhile Railfab)

July 23, 2024

Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	11.07	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	1.36	Not Applicable Withdrawn	-
Bank Ratings Loan	12.50	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	24.93	-	-

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to "**ACUITE BB+**" (read as **ACUITE double B plus**) from "**ACUITE BBB**" (read as **ACUITE triple B**) and short-term rating to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 A3+**" (read as **ACUITE A three plus**) on Rs.23.57 Cr. bank loan facilities of Railfab Technologies Private Limited (Erstwhile Railfab). Further, Acuite has withdrawn the long-term rating on the Rs.1.36 Cr. bank facilities of Railfab Technologies Private Limited (Erstwhile Railfab) without assigning any rating as it is a proposed facility.

The rating has been withdrawn on account of the request received from the company along with no objection certificate(NOC) received from the lender as per Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

The rating is now flagged as "Issuer Not-Cooperating" and is based on best available information. The rating downgrade is on account of information risk.

About the Company

Kapurthala-based, Railfab Technologies Private Limited was established in 1994 by Mrs. Aruna Jain, Mrs. Meenu Jain, Mrs. Nalini Jain and Mr. Sahil Jain as a partnership firm. In 2019, the company changes its constitution from partnership firm to private limited company. Directors of the company are Mr. Mayank Jain, Mr. Nikhil Jain and Mr. Sahil Jain. The firm is engaged into the manufacturing of bio-toilets, under-carriage components, body shell components, among others, mainly for the Indian Railways at the Rail Coach Factory based at Kapurthala (Punjab), Rae Bareli (Uttar Pradesh) and Chennai (Tamil Nadu).

About the Group

The Railtech Group, promoted by a Punjab-based family, was established in 1990. The group manufactures bio-toilets, undercarriage components, body shell components, among others for Indian Railways at the Rail Coach Factories based at Kapurthala (Punjab), Rae Bareilly (Uttar Pradesh) and Chennai (Tamil Nadu). These products are sold through the two major

individual entities of the Railtech Group, i.e. 'Railtech Technologies Private Limited', 'Railfab Technologies Private Limited'.

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 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 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

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

Liquidity Position

No information provided by the issuer / available for Acuité 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.	258.49	255.96
PAT	Rs. Cr.	6.55	6.87
PAT Margin	(%)	2.53	2.68
Total Debt/Tangible Net Worth	Times	0.91	0.98
PBDIT/Interest	Times	2.87	3.16

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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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
25 Aug 2023	Cash Credit	Long Term	10.00	ACUITE BBB Negative (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.36	ACUITE BBB Negative (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	1.07	ACUITE BBB Negative (Reaffirmed)
01 Jun 2022	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.07	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.36	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Axis Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.50	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.36	Not Applicable Withdrawn
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.07	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
1	Railfab Technologies Private Limited (Erstwhile Railfab)
2	Railtech Technologies Private Limited (Erstwhile Railtech)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Archita Sharma Associate Analyst-Rating Operations Tel: 022-49294065 archita.sharma@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in

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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