

Press Release
RYDAK SYNDICATE LIMITED
February 04, 2022
Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.25	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	1.75	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	29.00	-	-
Total Withdrawn Quantum (Rs.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) and the short-term rating to 'ACUITE A4+' (read as ACUITE A four plus) from 'ACUITE A3' (read as ACUITE A three) on the Rs. 29.00 crore bank facilities of Rydak Syndicate Limited (RSL). The rating is flagged as "Issuer Not Cooperating" based on account of information risk.

About the Company

Incorporated in 1898, Rydak Syndicate Limited (RSL) is engaged in tea manufacturing business. The company is part of the Jardine Henderson group. Currently, RSL is headed by Mr. Rajvinder Singh, Mr. Subir Das, Mr. Gyan Dutt Goutama and Mr. Suprana Chakraborti. The company mainly cultivates and manufactures black crush, tear, and curl tea (CTC). It has six tea estates covering production area of 3,309 hectares in West Bengal and Assam. The company manufactures over 50 lakhs kg of tea annually.

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 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 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

None

Key Financials:

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

Status of non-cooperation with previous CRA

None

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

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Nov 2020	Cash Credit	Long Term	12.00	ACUITE BBB- Stable (Assigned)
	Proposed Bank Facility	Long Term	0.25	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	11.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	2.15	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Assigned)
	Working Capital Term Loan	Long Term	1.85	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	1.25	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Axis Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.25	ACUITE A4+ Downgraded Issuer not co-operating*
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE BB+ Downgraded Issuer not co-operating*
Axis Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	2.15	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	1.85	ACUITE BB+ Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,850 credit 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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