



Press Release
Ranba Castings Limited
December 11, 2024
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.80	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	2.20	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded its long-term rating to ‘**ACUITE C**’ (read as **ACUITE C**) from ‘**ACUITE BB-**’ (read as **ACUITE Double B minus**) and short-term rating to ‘**ACUITE A4**’ (read as **ACUITE A four**) from ‘**ACUITE A4+**’ (read as **ACUITE A four plus**) on Rs.20.00 Cr. bank facilities of Ranba Castings Limited(RCL).

Rationale for downgrade :

The rating downgrade takes cognizance of delays in servicing debt obligations by RCL in term loans as understood from credit bureau information report of the company.

The rating is now flagged as “Issuer Not-Cooperating” and is based on the best information available.

About the Company

Coimbatore-Tamilnadu based Ranba Castings Limited (RCL) was incorporated in 1995 by Mr. V Rajendran. RCL is currently managed by his sons, Mr. Velappan Rajendran Narenkumar and Mr. Velappan Rajendran Arunkumar. RCL is engaged in manufacturing of various grades of Grey iron and S.G. iron castings. It presently caters to domestic demand, catering to players in the Textile industry. RCL has manufacturing facility in Coimbatore, Tamil Nadu with an installed production capacity of 1000 MT per month.

Unsupported Rating

Not Applicable

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 noncooperation by the issuer along with an 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 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 rating is based.

Rating Sensitivities

"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.	83.62	65.74
PAT	Rs. Cr.	0.59	0.15
PAT Margin	(%)	0.70	0.23
Total Debt/Tangible Net Worth	Times	6.60	8.50
PBDIT/Interest	Times	2.32	1.97

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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
22 Sep 2023	Letter of Credit	Short Term	2.20	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	8.30	ACUITE BB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.58	ACUITE BB- Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	0.92	ACUITE BB- Stable (Reaffirmed)
19 Jul 2022	Letter of Credit	Short Term	2.20	ACUITE A4+ (Upgraded from ACUITE A4)
	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Working Capital Term Loan	Long Term	8.30	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Working Capital Term Loan	Long Term	2.58	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Funded Interest Term Loan	Long Term	0.92	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
11 May 2021	Letter of Credit	Short Term	2.20	ACUITE A4 (Assigned)
	Cash Credit	Long Term	6.00	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	0.92	ACUITE B+ Stable (Assigned)
	Working Capital Term Loan	Long Term	8.30	ACUITE B+ Stable (Assigned)
	Working Capital Term Loan	Long Term	2.58	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB-)
Indian Bank	Not avl. / Not appl.	Funded Interest Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.92	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB-)
Indian Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.20	Simple	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	20 Sep 2020	Not avl. / Not appl.	30 Sep 2028	8.30	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB-)
Indian Bank	Not avl. / Not appl.	Working Capital Term Loan	20 Sep 2020	Not avl. / Not appl.	31 Oct 2024	2.58	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB-)

* 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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