



## Press Release

The Rajaratna Mills Private Limited

July 24, 2023

Rating Reaffirmed & Withdrawn, Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	60.50	ACUITE BB+   Reaffirmed & Withdrawn   Issuer not co-operating*	-
<b>Bank Ratings</b> <b>Loan</b>	0.20	Not Applicable   Withdrawn	-
<b>Bank Ratings</b> <b>Loan</b>	5.30	-	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	66.00	-	-

## Rating Rationale

Acuite has reaffirmed and withdrawn the long term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs 60.50 Cr bank facilities and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs 5.30 Cr bank facilities and withdrawn the rating for the proposed facility on the Rs.0.20 Cr bank facilities of The Rajaratna Mills Private Limited (RMPL). The rating continues to be an indicative rating, based on best available information.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NOC received from the banker.

## About the Company

RMPL was incorporated in 1979 with 12,000 spindles and progressively expanded to its current capacity of 39,856 spindles and 7,040 rotors. The company is closely held by the promoters and its family members, who have close to over six decades of experience in the industry. RMPL is engaged in the production of cotton yarn in the medium and finer counts range of 6's-30's 60's and 90's. It has two manufacturing facilities in Palani (Tamilnadu). RMPL had installed windmill capacity of 1.50 MW for captive use. At present, the company's operations are actively managed by Mr J. Thulasidharan, Managing Director, and his daughter, Ms. Nikenant

## 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 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.

### **About the Rated Entity - Key Financials**

The rated entity has not shared the latest financial statement for Acuite to comment.

### **Rating Sensitivity**

"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: Not Applicable**

### **Other Factors affecting Rating**

None

### **Status of non-cooperation with previous CRA**

Care vide its press release dated 24.01.2023, had rated the company to CARE B+/Stable/A4; Issuer Not Cooperating.

India Ratings vide its press release dated 20.03.2023 had rated the company to INDRA BB/A4+; Issuer Not Cooperating.

### **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**

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Jan 2023	Term Loan	Long Term	7.90	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Working Capital Term Loan	Long Term	6.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.40	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	4.95	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.35	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Working Capital Term Loan	Long Term	4.20	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.20	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	37.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
02 Nov 2021	Term Loan	Long Term	7.90	ACUITE BBB-   Stable (Assigned)
	Proposed Bank Facility	Long Term	0.20	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Short Term	4.95	ACUITE A3 (Assigned)
	Cash Credit	Long Term	37.00	ACUITE BBB-   Stable (Assigned)
	Working Capital Term Loan	Long Term	6.00	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	0.35	ACUITE A3 (Assigned)
	Working Capital Term Loan	Long Term	4.20	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	5.40	ACUITE BBB-   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
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	0.35	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	37.00	ACUITE BB+   Reaffirmed & Withdrawn   Issuer not co-operating*
Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.95	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.20	Not Applicable   Withdrawn
Indian Bank	Not Applicable	Term Loan	31 Mar 2018	10.25	31 Mar 2024	Simple	7.90	ACUITE BB+   Reaffirmed & Withdrawn   Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	30 Mar 2021	8.90	31 Jul 2028	Simple	5.40	ACUITE BB+   Reaffirmed & Withdrawn   Issuer not co-operating*
Indian Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	6.00	ACUITE BB+   Reaffirmed & Withdrawn   Issuer not co-operating*
Indian Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	4.20	ACUITE BB+   Reaffirmed & Withdrawn   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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