



**Press Release**  
**REGISTA N EXPORTS**  
**December 27, 2023**  
**Rating Reaffirmed & Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	ACUITE B+   Reaffirmed & Withdrawn	-
Bank Loan Ratings	7.50	-	ACUITE A4   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	13.50	-	-

**Rating Rationale**

Acuité has reaffirmed and withdrawn the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 13.50 crore bank facilities of Registan Exports (RE).

The rating withdrawal is in accordance with Acuite's policy on withdrawal of ratings. The rating is being withdrawn on account of request received from the company and no objection certificate (NOC) received from the banker.

**Rationale for Reaffirmation**

The rating reaffirmation takes into account the steady business risk profile of the company marked by increasing revenue trend and better geographic exposure. The rating also factors the experienced management in the fabric manufacturing industry and the company's established track record in the fabric export business, the average financial risk profile characterized by low albeit improving net worth. However, these strengths are offset by the declining profitability margins, working capital intensive management and intense competition in the industry

**About the Company**

Established in 1990, Registan Exports (RE) is a Jaipur (Rajasthan) based partnership firm, engaged in the business of manufacture and exports of women and kids apparels. The firm is currently exporting to several countries mainly USA, UK, Europe, Middle East, Africa and Australia. Currently, the firm is headed by Mr. Akash Gupta, Mrs Anita Gupta and Harshal Gupta.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuité has considered the standalone business and financial risk profiles of RE to arrive at the rating.

**Key Rating Drivers**

## **Strengths**

Experienced management and established relationship with customers

Established in 1990, the firm has been operational for more than three decades. The key promoters, Mr Akash Gupta and Mrs Anita Gupta have more than 3 decades of experience in the textile business and is ably assisted by the second-generation director Mr. Harshal Gupta. The long-standing experience of the promoters and long track record of operations has helped them to establish comfortable relationships with key suppliers and reputed customers across the continents. There has been continuous capital infusion since last 3 years ending FY22 to support the working capital requirements of the firm by the promoters.

### **Business Risk Profile**

Operating income of the firm increased in FY 23 by ~83 percent. Firm reported operating income of Rs 38.17 crore for FY 23 as against Rs 20.81 crore in FY 22. Operating margin of the firm went down by 225 bps and stood at 4.86 percent in FY 23 as against 7.01 percent in FY 22. Net profit margin of the firm improved and stood at 0.24 percent in FY 23 as against 0.19 percent in FY 22. ROCE of the firm stood at 7.65 percent for FY 23.

### **Weaknesses**

#### **Financial Risk Profile**

Financial Risk profile of the firm is average marked by low net worth, high gearing and moderate debt protection metrics. The tangible net worth of the firm increased to at Rs. 4.18 Cr as on 31st March, 2023 from Rs.4.13 Cr as on 31st March, 2022. Gearing of the firm increased to 2.93 times as on 31st March, 2023 as compared to 2.16 times as on 31<sup>st</sup> March, 2022. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood high at 4.61 times as on 31<sup>st</sup> March, 2023 as against 3.71 times as on 31st March, 2022. The moderate debt protection metrics of the firm is marked by Interest Coverage Ratio (ICR) at 1.88 times as on March 31, 2023 and Debt Service Coverage Ratio at 1.60 times as on March 31, 2023. Net Cash Accruals/Total Debt (NCA/TD) stood at 0.07 times as on 31st March, 2023.

#### **Working Capital**

The working capital-High nature of operations of the firm is marked by high Gross Current Assets (GCA) of 172 days as on March 31, 2023 as against 263 days as on March 31, 2022. The inventory period improved to 84 days as on March 31, 2023 as compared to 138 days as on 31st March 2022 on account of improved efficiency of inventory management. Debtor days stood high at 86 days as on 31st March, 2023 against 119 days in the previous year.

#### **Rating Sensitivities**

Not Applicable

#### **All Covenants**

None

#### **Liquidity Position**

##### **Adequate**

The firm's liquidity position is adequate marked by comfortable current ratio at 1.35 times as on March 31, 2023 as compared to 1.51 times as on 31<sup>st</sup> March, 2022. The net cash accruals stood at Rs.0.83 Cr in FY2023 as against long term debt repayment of Rs.0.15 Cr. The cash and bank balances of the firm stood at Rs.0.02 Cr in FY2023 as compared to Rs. 0.04 Cr in FY2022.

#### **Outlook:Not Applicable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	38.17	20.81
PAT	Rs. Cr.	0.09	0.04
PAT Margin	(%)	0.24	0.19
Total Debt/Tangible Net Worth	Times	2.93	2.16
PBDIT/Interest	Times	1.88	1.58

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities In Manufacturing Sector:- <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, 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Oct 2022	Term Loan	Long Term	0.50	ACUITE B+   Stable (Reaffirmed)
	Bills Discounting	Short Term	0.90	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	5.50	ACUITE B+   Stable (Reaffirmed)
	Short Term Loan	Short Term	5.00	ACUITE A4 (Reaffirmed)
	Packing Credit	Short Term	1.60	ACUITE A4 (Reaffirmed)
22 Jul 2021	Term Loan	Long Term	2.50	ACUITE B+   Stable (Upgraded from ACUITE B)
	Bills Discounting	Short Term	0.90	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	3.60	ACUITE B+   Stable (Upgraded from ACUITE B)
	Short Term Loan	Short Term	5.00	ACUITE A4 (Assigned)
	Proposed Bank Facility	Long Term	0.20	ACUITE B+   Stable (Upgraded from ACUITE B)
	Packing Credit	Short Term	1.30	ACUITE A4 (Reaffirmed)
18 Aug 2020	Cash Credit	Long Term	1.50	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	0.19	ACUITE B (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	7.79	ACUITE B (Issuer not co-operating*)
	Bills Discounting	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)
	Packing Credit	Short Term	2.00	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	0.43	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	0.09	ACUITE B (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Central Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	0.90	ACUITE A4   Reaffirmed & Withdrawn
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.50	ACUITE B+   Reaffirmed & Withdrawn
Central Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	1.60	ACUITE A4   Reaffirmed & Withdrawn
Central Bank of India	Not Applicable	Short-term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE A4   Reaffirmed & Withdrawn
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.50	ACUITE B+   Reaffirmed & Withdrawn

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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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