



## Press Release

**Ramkrishna Cotspin Private Limited**

**October 01, 2020**

### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action
Long term Bank Facilities	61.25	IVR BB+ Stable; ISSUER NOT CO-OPERATING (IVR Double B Plus/ Stable Outlook; ISSUER NOT CO-OPERATING) *	Downgraded from IVR BBB-/ Stable Outlook (IVR Triple B Minus with Stable Outlook) and moved to ISSUER NOT CO-OPERATING category
Short term Bank Facilities	3.75	IVR A4+; ISSUER NOT CO-OPERATING (IVR A Four Plus; ISSUER NOT CO-OPERATING)	Downgraded from IVR A3 (IVR Single A Three) and moved to ISSUER NOT CO-OPERATING category
<b>Total</b>	<b>65.00</b>		

\*Issuer did not cooperate; based on best available information

### Detailed Rationale

The rating revision is because of lack of adequate information regarding Ramkrishna Cotspin Pvt. Ltd. performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

Infomerics has been regularly following up with the company to provide the required data including FY19 & FY20 (A) results to monitor its assigned rating to the bank facilities, vide multiple E-mail communications latest by September 23, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

### Non-cooperation by Issuer

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term ratings for the bank loan facilities of Ramkrishna Cotspin Pvt. Ltd. aggregating to Rs. 61.25 crore shall be moved to the 'ISSUER NOT



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COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Stable; Issuer Not Co-operating; Based on best available information (IVR Double B Plus/Stable outlook: Issuer Not Co-operating; Based on best available information) and short-term bank facilities aggregating to Rs. 3.75 crore shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR A4+; Issuer Not Co-operating; Based on best available information (IVR A Four Plus; Issuer Not Cooperating; Based on best available information).

### **Analytical Approach & Applicable Criteria**

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

### **About the company**

Mr. Trikambhai Patel, engaged in farming of cotton seeds, established a ginning unit in year 1980, Sahjanand Ginning in Dhrangadhra Gujarat. Mr. Hasmukhbhai Patel S/O Trikambhai Patel, having experience of trading and cotton farming through sahanand ginning unit, established a firm, White Gold Cotton & Oil Industries (WGCOI) in 2013 engaged in ginning business. Having experience of manufacturing the raw cotton through ginning business, Hasmukhbhai Patel established Ramkrishna Cotspin Private Limited (RCPL) in year 2015, to expand into spinning business. Ramkrishna Cotspin Pvt Ltd, incorporated in 2015, Situated at Dhrangadhra, Gujarat, is spread across a total land of 33,690 sq. meters. RCPL's business is mainly concentrated in Gujarat while other geographies contribute marginally to top line. RCPL also exports its finished goods to Bangladesh.

### **Financials (Standalone):**

For the year ended*	(Rs. crore)	
	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	128.06	162.64
EBITDA	10.37	12.20
PAT	1.67	3.74
Total Debt	67.03	60.91
Tangible Net worth	36.33	40.07
EBITDA Margin (%)	8.10	7.50



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For the year ended*	31-03-2018	31-03-2019
PAT Margin (%)	1.30	2.29
Overall Gearing Ratio (x)	1.84	1.52

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Fund Based Limits	Long Term	61.25	IVR BB+/ Stable Outlook; ISSUER NOT CO-OPERATING*	IVR BBB-/ Stable Outlook (September 03, 2019)	-	-
2.	Non-Fund Based Limits	Short Term	3.75	IVR A4+; ISSUER NOT CO-OPERATING*	IVR A3 (September 03, 2019)		

\* Issuer did not cooperate; based on best available information

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long



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experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Bases Facilities- Cash Credit	-	-	-	7.50	IVR BB+/ Stable Outlook; ISSUER NOT CO-OPERATING*
Long Term Fund Bases Facilities- Term Loan	-	-	As per the terms of sanction	53.75	IVR BB+/ Stable Outlook; ISSUER NOT CO-OPERATING*
Short Term Non-Fund Bases Facilities- LC/BG	-	-	-	3.75	IVR A4+; ISSUER NOT CO-OPERATING*

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