



Press Release

Designtree.com Limited

August 16, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	87.00	IVR BB-(CE)/ Negative ISSUER NOT COOPERATING* (IVR double B minus [credit enhancement] with Negative outlook # Issuer Not Cooperating)	IVR BB (CE)/ Stable (IVR double B [Credit Enhancement] with Stable outlook)#	Rating downgraded and moved to Issuer Not Cooperating category	Complex
Total	87.00 (Rs. Eighty Seven-crore only)				

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

#Based on unconditional and irrevocable Corporate Guarantee from Ravi Vinyls India Limited

Unsupported Rating	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR double B minus with Negative outlook Issuer Not Cooperating)
--------------------	---

Note: Unsupported Rating does not factor in unconditional and irrevocable Corporate Guarantee from Ravi Vinyls India Limited

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The bank facilities of Designtree.com Limited (DTCL) has received an unconditional, irrevocable and enforceable corporate guarantee which has been extended by its holding company, Ravi Vinyls India Limited (RVIL) (rated at IVR BB-/ Negative ISSUER NOT COOPERATING based on best available information) to the bank facilities of DTCL aggregating to Rs. 87.00 crore, based on which the rating of the said bank facilities is IVR BB-(CE)/ Negative ISSUER NOT COOPERATING based on best available information (IVR double B minus [Credit Enhancement] with Negative outlook Issuer Not Cooperating based



Press Release

on best available information) against the unsupported rating of IVR BB-/ Negative ISSUER NOT COOPERATING based on best available information (IVR double B minus with Negative outlook and Issuer Not Cooperating based on best available information).

Infomerics has downgraded the unsupported rating assigned to the bank facilities of Designtree.com Limited (DTCL) and moved the rating to the Issuer Not Cooperating category because of lack of adequate information for rating review 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.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide e-mail communications dated May 3, 2024, June 7, 2024, June 26, 2024, July 12, 2024, August 1, 2024, August 2, 2024 and August 5, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

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 rating of the bank loan facilities aggregating to INR 87.00 crore of Designtree.com Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be noted as 'IVR BB-(CE)/ Negative ISSUER NOT COOPERATING; based on best available information (IVR double B minus [credit enhancement] with negative outlook and Issuer Not Cooperating based on best available information).

Adequacy of Credit Enhancement Structure:

For assigning the rating, Infomerics has assessed the attributes of the corporate guarantee issued by Ravi Vinyls India Limited (RVIL) in favour of lenders who have extended the said facilities. The guarantee is legally enforceable, irrevocable, and unconditional and covers the



Press Release

entire amount and tenor of the rated facilities and has a structured payment mechanism defining invocation and payment timelines. The corporate guarantee results in the rating of the said facilities at IVR BB- (CE)/ Negative ISSUER NOT COOPERATING based on best available information against the unsupported rating of IVR BB-/ Negative ISSUER NOT COOPERATING based on best available information. The adequacy of credit enhancement has been tested after considering guaranteed debt by RVIL and debt of DTIL. The adjusted capital structure and adjusted debt protection metrics of RVIL remain adequate.

Transaction Structure

In event of payment default, the following structure will be applicable:

1. T being scheduled due date of payment.
2. The Lender will invoke the guarantee within T+1 days by giving a demand notice to the Guarantor, immediately upon occurrence of any event of default in repayment of the loan amount by the borrower of its due date.
3. Payment by the guarantor will be made within (T+2) days.

Infomerics will consider T+2 as its legal final maturity for the purpose of recognition of

Analytical Approach: Standalone and credit enhancement

Credit enhancement is based on the unconditional, irrevocable and enforceable corporate guarantee extended by its holding company, Ravi Vinyls India Limited (RVIL) to the bank facilities of DTCL.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/FacilitiesRating methodology for Structure Debt](#)

[Transaction \(Non-securitisation transaction\)](#)



Press Release

About the Company

Incorporated on November 22, 2019, Designtree.com Limited (DTCL) (Erstwhile known as Raalchem Industries Limited) is a 100% subsidiary of Ravi Vinyls India Limited (RVIL) which is into trading and import of PVC resins. DTCL has started commercial operation of manufacturing unit for polyvinylchloride (PVC) based thermoplastic decorative surfaces with total capacity of 20 million square meter with its registered trademark "Design Tree" from July, 2022.

About the Corporate Guarantor (Ravi Vinyls India Limited)

Ravi Vinyl India Limited (RVIL) incorporated in 2017 is engaged in trading of Poly Vinyl Chloride (PVC) resin. RVIL is an importer and distributor of all types of PVC resin as per requirements of its clients.

Financials (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	0.00	52.37
EBITDA	-0.42	16.02
PAT	-0.21	-2.04
Total Debt	33.25	71.46
Tangible Net worth	54.53	33.49
EBITDA Margin (%)	-	30.59
PAT Margin (%)	-79.46	-3.87
Overall Gearing Ratio (x)	0.61	2.13
Interest Coverage (x)	-	5.26

** Classification as per Infomerics' standards.*

Financials of the Corporate Guarantor (Ravi Vinyls India Limited):

For the year ended* / As on	31-March-22 (Audited)	31-March-23 (Audited)
Total Operating Income	92.92	97.78
EBITDA	8.32	1.40
PAT	6.10	0.77
Total Debt	0.00	0.00
Tangible Net-worth	66.98	67.75
EBITDA Margin (%)	8.96	1.43
PAT Margin (%)	6.52	0.78



Press Release

Overall Gearing Ratio (x) (adjusted)	0.00	0.00
---------------------------------------	------	------

**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 Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (July 7, 2023)	Date(s) & Rating(s) assigned in 2022-23 (June 28, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	54.00	IVR BB-(CE)/ Negative ISSUER NOT COOPERATING*	IVR BB (CE)/ Stable	IVR BBB-(CE)/ Stable	-
2.	Cash Credit	Long Term	33.00#	IVR BB-(CE)/ Negative ISSUER NOT COOPERATING*	IVR BB (CE)/ Stable	IVR BBB-(CE)/ Stable	-

**Issuer not cooperating, based on best available information*

#Sub-limit - LC of Rs.25.00 crore and Forward contract/Derivatives of Rs. 1.10 crore

Analytical Contacts:

Name: Sandeep Khaitan

Tel: (033) 46022266

Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).



Press Release

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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 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: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	June 30, 2030	54.00	IVR BB-(CE)/ Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	33.00#	IVR BB-(CE)/ Negative ISSUER NOT COOPERATING*

**Issuer not cooperating, based on best available information*

#Sub-limit - LC of Rs.25.00 crore and Forward contract/Derivatives of Rs. 1.10 crore



Press Release

Annexure 2: Facility wise lender details (Hyperlink to be added): Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Financial Covenants

Covenants (in relation to the undernoted parameters) (i.e. DSCR, Int. Coverage, FACR, Debt/EBIDTA etc.) are to be stipulated for all term loans and these are required to be tested annually on the basis of Audited Balance Sheet (ABS). Penal interest will be charged in case of breach of any two of the four parameters vis-d-vis values as approved by the sanctioning authority in the sanction note. The penal interest will apply from the day after the date of ABS, and shall continue till the breach is cured.

Parameters	Benchmark for annual testing of financial covenants (to be tested as per ABS as on 31 03.2023)	Penalty for adverse deviation	
GDSCR	2.99	1. Upto 5%	Nil
ISCR	2.26	2. >5% & upto 10%	25 bps p.a.
FACR	1.48	3. >10%	50 bps p.a.
Debt/EBITDA	4.63		

Non Financial Covenants

The borrower should maintain adequate books of accounts, as per applicable accounting practices and standards, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank

The borrower should submit to the Bank such financial statements as may be required by the Bank from time to time in addition to the set of such statements to be furnished by the borrower to the Bank as on the date of publication of the borrower's annual accounts.

In case of default in repayment of the loan/advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date(s) by the borrower, the Bank and/or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrower/unit and its directors/partners/proprietors as defaulters/willful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.

The Bank will have the right to share credit information as deemed appropriate with Credit Information Companies (CICs) or any other institution as approved by RBI from time to time

The borrower should not induct into its Board a person whose name appears in the willful defaulters list of RBI/ CICs. In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose.



Press Release

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Name of the company/Entity	Consolidation/Combined Approach

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

