

March 24, 2023^(Revised)

Rameshwar Textile Mills Ltd.: Rating downgraded to [ICRA]D; continues to remain under Issuer Non-Cooperating category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash Credit	10.75	10.75	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+ (Stable) 'ISSUER NOT COOPERATING*', rating continues to remain under 'Issuer Not Cooperating' category.
Total	10.75	10.75	

*Issuer did not cooperate; based on best available information; Instrument details are provided in Annexure-1

Rationale

The rating downgrade reflects delays in the debt servicing in recent months as confirmed by the lender.

As part of its process and in accordance with its rating agreement with **Rameshwar Textile Mills Ltd. (RTML)**, ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/limited information on the issuers' performance.

Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as it may not adequately reflect the credit risk profile of the entity, despite the downgrade. The rating action has been taken in accordance with ICRA's policy with respect to non-cooperation by a rated entity, available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, key financial indicators liquidity position, rating sensitivities: [Click here.](#)

ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity Rating Methodology for Entities in the Indian Textile Industry – Fabric Making Policy on Default Recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on standalone financial statements of RTML.

About the company

Established in 1988, RTML manufactures dyed and printed grey fabric. It also undertakes job-work for the same. The dyeing and printing unit has an installed processing capacity of ~2.0 lakh metres of fabric per day. The company is also involved in garment manufacturing and trading of yarn, although the same accounts for a negligible share of its total revenues. Its manufacturing plant is in Surat, Gujarat.

RTML is associated with various other group companies such as Aakar Land Developers Private Limited (real estate development in Surat city), RJ Energy Private Limited, Biyani Impex Private Limited and KS Glass Industries Private Limited (for manufacturing glass bottles).

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2023)						Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Amount outstanding (Rs. Crore)	Date & rating in FY2023			Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020
					Mar 24, 2023	Sep 15, 2022	Apr 13, 2022			
1	Fund Based - Cash Credit	Long Term	10.75	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA] B+ (Stable); ISSUER NOT COOPERATING	[ICRA] B+ (Stable); ISSUER NOT COOPERATING	[ICRA] B+ (Stable)	[ICRA] B+ (Stable)	[ICRA]B+(Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term Fund based facilities - Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	10.75	[ICRA]D; ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

Corrigendum

Document dated March 24, 2023, has been corrected with revision as detailed below –

Section under Rationale: 2nd Paragraph with disclosure regarding non-cooperation on fee lining has been updated.

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