

February 06, 2024

Reliance Chemotex Industries Limited : 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 -Term Loan	46.20	46.20	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING *; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Letter of Credit	30.00	30.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term / Short Term -Unallocated	6.22	6.22	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	5.50	5.50	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based -Cash Credit	33.00	33.00	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING *; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Fund Based -Cash Credit	2.00	2.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	122.92	122.92	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term and Short - term rating for the Bank facilities of Reliance Chemotex Industries Limited in the 'Issuer Not Cooperating' category. The rating are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Reliance Chemotex Industries Limited , ICRA has been trying to seek information from the entity so as to monitor its performance Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, 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	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology – Textiles - Spinning
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Reliance Chemotex Industries Limited (RCIL) was incorporated in 1977 by Mr. S.L Shroff, who is currently the Chairman of the company. RCIL is engaged in manufacturing of synthetic and blended yarn including 100% Polyester, 100% Viscose, 100% Acrylic, 100% Bamboo Viscose as well as Polyester/Viscose, Polyester/Acrylic, Polyester/Viscose/Acrylic blended yarns. These yarns (which can be produced with raw-white, or dyed fibres) are intended for knitting, weaving, upholstery, carpet, medical or other industrial end-uses. The key raw materials for the company include polyester, viscose, and acrylic fibre, which are largely procured from the domestic market, with the key suppliers being Reliance Industries Limited (for polyester staple fibre) and Grasim Industries Limited (for viscose staple fibre).

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	361.77	371.04
PAT (Rs. crore)	18.13	12.42
OPBDITA/OI (%)	12.7%	10.9%
PAT/OI (%)	5.0%	3.3%
Total Outside Liabilities/Tangible Net Worth (times)	1.74	2.01
Total Debt/OPBDITA (times)	2.72	4.86
Interest Coverage (times)	3.78	2.90

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation.

Source: MCA

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	[CRISIL]B(Stable)/[CRISIL]A4; ISSUER NOT COOPERATING	July 31, 2023

Any other information: None

Rating history for past three years

	Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
			Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021
					Feb 06, 2024	Nov 23, 2022	Dec 31, 2021	Sep 29, 2020
1.	Fund Based Term Loan	Long Term	46.20	-	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)
2.	Non Fund Based -Letter of Credit	Short Term	30.00	-	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4+;ISSUER NOT COOPERATING	[ICRA]A3
3.	Unallocated	Long Term/Short Term	6.22	-	[ICRA]B+ (Stable) ; ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B+ (Stable) / [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)/ [ICRA]A3
4.	Non Fund Based-Others	Short Term	5.50	-	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3
5.	Fund Based - Cash Credit	Long Term	33.00	-	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)
6.	Fund Based-Cash	Short	2.00		[ICRA]A4;ISSUER	[ICRA]A4;ISSUER	[ICRA]A4+;ISSUER	[ICRA]A3

Credit	Term	-	NOT COOPERATING	NOT COOPERATING	NOT COOPERATING
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Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based -Term Loan	Simple
Short Term-Non Fund Based-Letter of Credit	Very Simple
Long Term / Short Term -Unallocated	Not Applicable
Short Term-Non Fund Based-Others	Very Simple
Long Term-Fund Based -Cash Credit	Simple
Short Term-Fund Based -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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based -Term Loan	FY2015	-	FY2022-FY2028	46.20	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING
NA	Short Term-Non Fund Based-Letter of Credit	-	-	-	30.00	[ICRA]A4;ISSUER NOT COOPERATING
NA	Long Term / Short Term -Unallocated	-	-	-	6.22	[ICRA]B+ (Stable); ISSUER NOT COOPERATING /[ICRA]A4; ISSUER NOT COOPERATING
NA	Short Term-Non Fund Based-Others	-	-	-	5.50	[ICRA]A4;ISSUER NOT COOPERATING
NA	Long Term-Fund Based -Cash Credit	-	-	-	33.00	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING
NA	Short Term-Fund Based -Cash Credit	-	-	-	2.00	[ICRA]A4;ISSUER NOT COOPERATING

Source: Reliance Chemotex Industries Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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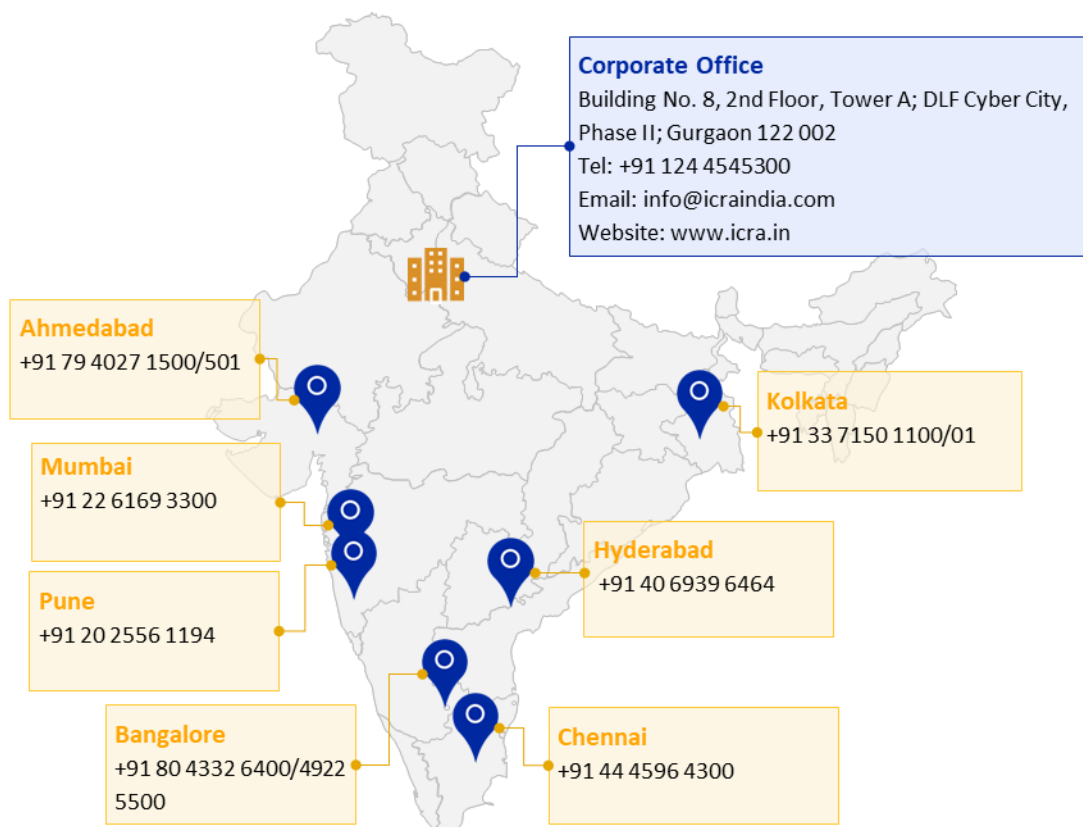


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