

Rajvir Industries Limited

July 19, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	172.51	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	10.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE had, vide its press release dated January 09, 2019, placed the rating(s) of Rajvir Industries Limited. (Rajvir) under the 'issuer non-cooperating' category as Rajvir had failed to provide information for monitoring of the rating. Rajvir continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated June 18, 2023, to July 03, 2023. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of the key rating drivers:

At the time of last rating on July 13,2022 the following were the rating strengths and weaknesses (updated for the information available from BSE)

Key weaknesses

Delays in debt servicing owing to weak liquidity position: There are continuing delays in debt servicing on account of liquidity constraint. Also, the auditor has reported delays in the Audit Report for FY20. The company has registered a net loss of Rs 29.48 crore in FY20 when compared to loss of Rs 37.84 crore in FY19.

Weak financial risk profile and cash losses for FY19: The capital structure of the company is highly leveraged with entire net worth of the company having been eroded owing to accumulated losses. The company is reporting loss at operating level for last three years. The company has reported cash losses for FY20 backed by low operating margins coupled with high capital charge.

Working capital intensive nature of operations: Spinning is primarily a working capital-intensive business as the raw material availability is seasonal which results in high inventory holding period. Further, the procurement is primarily on cash basis which results in high working capital utilization during the months of availability which is October to April.

Key strengths

Established track record of promoters: Rajvir is promoted by Mr. U.K. Agarwal. Mr. Agarwal has more than 40 years of experience in cotton industry. He is the Chairman of the company and has expertise in cotton selection process. Mr. Ritesh K. Agarwal is the Managing Director and looks after all the managerial activities handling departments including marketing, finance, exports and production. The board of Rajvir also comprises of Sri. K. C. Reddy, Mr. Vijay Kumar Gupta and Ms. Padma Vijay. By virtue of being in the industry for about four decades, the promoters have established long standing relationship with a diversified customer base.

Liquidity: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

[Policy in respect of non-cooperation by issuer](#)

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

[Policy on Withdrawal of Ratings](#)

[Financial Ratios - Non Financial Sector](#)

[Short-Term Instruments](#)

[Cotton textile manufacturing](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Rajvir Industries Limited (Rajvir) was incorporated on September 1, 2004. Rajvir is engaged in manufacturing of cotton yarn, mélange, synthetics, modal, dyed products, compact yarn, flame-retardant, supima, silk, wool, cashmere and angora blend with its facilities located in Mahboobnagar (one unit), Tandur (one unit) and a dyeing plant at Mahboobnagar. The company has facilities from ginning to spinning of different kinds (raw white, mélange) and varied counts (10-40, 20-25, 10-60, 40-60 etc.). The company has range that covers everything from 100% cotton/organic/fair-trade/combed yarns, blended yarns (polyester, viscose, modal, spun silk and flame- retardant) etc. As on March 31, 2017 the company has installed capacity of 1, 11,840 spindles

Brief Financials (₹ crore)	March 31, 2019 (A)	March 31, 2020 (A)	9MFY21 (UA)
Total operating income	58.12	35.48	12.22
PBILDT	-17.48	-7.15	-10.55
PAT	-37.84	-29.48	-28.14
Overall gearing (times)	-2.62	-1.68	NA
Interest coverage (times)	-1.03	-0.40	NA

A: Audited UA: Unaudited; NA; Not available, Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: CRISIL continues to categorize rating assigned to the bank facilities of Rajvir under non-cooperation category vide PR dated June 30, 2023, on account of its inability to carry out a rating exercise in the absence of the requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	49.53	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Funded Interest term Loan	-	-	-	March 2024	14.16	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	March 2024	56.22	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working capital Term Loan	-	-	-	March 2024	52.60	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Letter of credit	-	-	-	-	10.00	CARE D / CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	56.22	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-22)	1)CARE D; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (08-May-20)
2	Fund-based - LT-Funded Interest term Loan	LT	14.16	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-22)	1)CARE D; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (08-May-20)
3	Fund-based - LT-Cash Credit	LT	49.53	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-22)	1)CARE D; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (08-May-20)
4	Non-fund-based - LT/ ST-Letter of credit	LT/ST*	10.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (13-Jul-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (08-May-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
5	Fund-based - LT-Working capital Term Loan	LT	52.60	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-22)	1)CARE D; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (08-May-20)

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

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Funded Interest term Loan	Simple
3	Fund-based - LT-Term Loan	Simple
4	Fund-based - LT-Working capital Term Loan	Simple
5	Non-fund-based - LT/ ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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