

January 27, 2016

## CARE ASSIGNS 'CARE B+' RATING TO THE BANK FACILITIES OF RAMAYANI CREATIONS

**Rating**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long term Bank Facilities	15	<b>CARE B+ (Single B+ )</b>	Assigned
<b>Total Facilities</b>	<b>15</b> <b>(Rupees Fifteen crore only)</b>		

**Rating Rationale**

The rating assigned to the bank facilities of Ramayani Creations (RMC) is primarily constrained by its post implementation project risk associated with newly setup debt-funded manufacturing unit. The rating also factors in its presence in highly fragmented and competitive textile industry, cyclical textile processing industry, regulatory risk along with constitution as a partnership firm.

These rating constraints are partially offset by the support from the experienced partners in textile industry.

Going forward, the ability of RMC to achieve the envisaged revenues and profitability shall be the key rating sensitivities.

**Background**

Bhiwadi-based (Rajasthan) RMC was established as a partnership firm in 2015 by Mr Jitender Bansal, Mr Sanjeev Jindal, Mr Vipin Mehta and Mr Sunil Gupta with equal profit loss sharing ratio. RMC was established with an objective to manufacture readymade garments for ladies. The firm has set up a manufacturing unit which commenced its commercial operations from September 2015. The main raw material of the firm is cotton yarn which is procured from various spinning mills across the country. The firm sells its product both domestically and in international market.

The firm has achieved a total operating income of Rs.3.50 crore from September 01, 2015, till December 31, 2015.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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