

Rajasthan Tube Manufacturing Company Limited

August 23, 2019

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	-	-	Revised from CARE B+; Stable (Single B Plus; Outlook: Stable) to CARE B; Stable, (Single B; Outlook: Stable,) and subsequently Withdrawn
Short-term Bank Facilities	-	-	Withdrawn
Total	-		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

The revision in the ratings of Rajasthan Tube Manufacturing Company Limited (RTL) takes into account operating and net loss as well as cash loss in Q1FY20.

Further, CARE has withdrawn the outstanding ratings with immediate effect. The above action has been taken as per CARE's withdrawal policy, at the request of RTL and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria:

[Policy on Withdrawal of ratings](#)

About the Company

Jaipur (Rajasthan) based Rajasthan Tube Manufacturing Company Limited (RTL) was incorporated in 1985 with an objective to set up plant to manufacture Steels Pipes and Tubes. The company commenced its operations from 1988-89 and listed on BSE in 1995. The company is engaged in the business of manufacturing of Electric Resistance Welding (ERW) steel, galvanized pipes and hot rolled steel sheets and sells product under the brand name of "RTL".

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	79.46	76.74
PBILDT	3.05	2.26
PAT	0.38	0.45
Overall gearing (times)	1.75	2.37
Interest coverage (times)	1.36	1.10

Status of non-cooperation with previous CRA: ICRA has conducted the review on the basis of best available information and has classified the Rajasthan Tube Manufacturing Company Limited as "Not cooperating" vide its press release dated March 27, 2019.

Any other information: Not applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Fund-based - ST-Standby Line of Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE B+; Stable (24-Jul-18)	1)CARE B; Stable (11-Dec-17) 2)CARE B; Stable (05-Dec-17)	-
2.	Fund-based - ST-Standby Line of Credit	ST	-	-	-	1)CARE A4 (24-Jul-18)	1)CARE A4 (11-Dec-17) 2)CARE A4 (05-Dec-17)	-
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE A4 (24-Jul-18)	1)CARE A4 (11-Dec-17) 2)CARE A4 (05-Dec-17)	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.