



## RATING RATIONALE

21 Oct 2019

### Ratan Gramodyog Sansthan

Brickwork Ratings downgrades the long term ratings for the Bank Loan facilities of ₹ 6.00 Crore of Ratan Gramodyog Sansthan, based on the best available information, as the issuer did not cooperate.

#### Particulars

Facility	Amount (₹ Crores)		Tenure	Rating*	
	Previous	Present		Previous (Feb 2017)	Present
Fund based	6.00	6.00	Long Term	BWR BB outlook: Stable Reaffirmed	BWR B+ outlook: Stable Issuer Not Cooperating* Downgraded
<b>Total</b>	<b>6.00</b>	<b>6.00</b>	<b>Rupees six crores Only</b>		

#Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

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

Details of Bank facilities is provided in Annexure-I

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The Long term rating of the Bank Loan Facilities of the entity has been downgraded to BWR B+/stable under the 'Issuer Not Cooperating' category.

BWR had reaffirmed the long-term rating of Bank Loan facilities amounting to Rs. 6.00 Crores on 28 Feb 2017. The Long term rating was reaffirmed to BWR BB/Stable. The rating was due for review in Feb 2018. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. No Default Statement has also not been submitted by the client. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the entity, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating.



**LIMITATIONS OF THE RATING:** Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

**KEY FINANCIAL INDICATORS(in ₹ Cr) [As available with BWR in Feb 2017]**

Key Parameters	Units	FY 16	FY 17
Result Type		Audited	Projected
Operating Income	Cr	35.66	36.45
EBITDA	Cr	1.79	2.22
PAT	Cr	0.66	0.68
TNW	Cr	6.22	6.91
(TOL/TNW)	times	0.77	0.87

**COMPANY PROFILE [As available with BWR in Feb 2017]**

Ratan Gramodyog Sansthan was established as a Co-operative society during the year 2003 in the city of Kanpur, Uttar Pradesh. Whereas, its manufacturing facility was set up during 2004 at Unnao, Uttar Pradesh Ratan Gramodyog Sansthan was promoted by Mr. Heera Lal Khatri and his friends & relatives. The society has been registered under the Khadi & Village Industries Board for the manufacture and sale of detergent powder and cakes. The products are being marketed under the brand name “Rajratan”. The society has appointed totally 13 members for the operations of the activities.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**



## RATING HISTORY

Instrument/Facility	Current Rating			Rating History**		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Aug-2018	Feb-2017	2016
<b>Fund Based</b>	Long Term	6.00	BWR B+ outlook: Stable Issuer Not Cooperating* Downgraded	Rating Not Reviewed	BWR BB Outlook: Stable reaffirmed	-
<b>Total</b>		<b>6.00</b>	Rupees six crores Only			

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

\*\*BWR has assigned the long-term rating of Bank Loan facilities amounting to Rs. 13.50 Crores on 28 Jul 2015.

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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## ANNEXURE I

### Ratan Gramodyog Sansthan Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Allahabad Bank	Fund Based	6.00	-	6.00
<b>TOTAL</b>					<b>6.00</b>

Total Rupees six crores Only.

#### **For print and digital media**

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