

RATING RATIONALE

21 Oct 2019

Rex Global Ltd.

Brickwork Ratings downgrades the long term ratings and short term rating for the Bank Loan facilities of ₹ 18.50 Crore of Rex Global Ltd. based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Crores)		Tenure	Rating*	
	Previous	Present		Previous (May 2017)	Present
Fund Based			Long Term	BWR BB- outlook: Stable	BWR B outlook: Stable Issuer Not Cooperating* Downgraded
Cash Credit	4.00	4.00			
Stand By limit	1.00	1.00			
EPC/PCFC	5.00	5.00	Short Term	BWR A4	BWR A4 Issuer Not Cooperating* Reaffirmed
PSFC/EUBC/ FBP (NON LC)	8.00	8.00			
Non-Fund Based					
Forward Contract Risk factor	0.50	0.50			
Total	18.50	18.50	INR Eighteen Crores and Fifty lakhs Only		

#Please refer to BWR website 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 and short term rating of the bank loan facility reaffirmed to BWR A4 under the 'Issuer Not Cooperating' category.

BWR had downgraded the long term rating and reaffirmed the short term rating of Bank Loan facilities amounting to Rs. 18.50 Crores on 11 May 2017. The Long term rating was downgraded to BWR BB-/Stable and short term rating was reaffirmed to A4. The rating was due for review in May 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 May 2017]

Key Parameters	Units	FY 16	FY 17
Result Type		Audited	Projected
Operating Income	Cr	135.28	150.61
EBITDA	Cr	3.71	4.30
PAT	Cr	0.48	1.19
TNW	Cr	8.66	10.29
(TOL/TNW)	times	5.86	4.46

COMPANY PROFILE [As available with BWR in May 2017]

Rex Global Limited(RGL) was set up in 1990 as a partnership firm named Rex Exports by Mr. Dinesh Dandona and his brother, Mr. Bhupesh Dandona in Ludhiana. It was reconstituted as a private limited company in 2000 and was later reconstituted as a closely held public limited company in 2008. The Company is engaged in the trading of bicycles, bicycle spare parts, cold-rolled galvanized steel sheets and textile products. It sells both in the domestic as well as export markets.

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	May-2017	Jun-2016
Fund Based	Long Term	18.00	BWR B outlook: Stable Issuer Not Cooperating* Downgraded	Rating Not Reviewed	BWR BB- Outlook: Stable downgraded	BWR BB Outlook: stable Assigned
Non-Fund Based	Short Term	0.50	BWR A4 Issuer Not Cooperating* Reaffirmed	Rating Not Reviewed	BWR A4 Reaffirmed	BWR A4 Assigned
Total		18.50	INR Eighteen Crores and Fifty lakhs Only			

*Issuer did not cooperate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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

Analytical Contacts	Investor and Media Relations
<p>Shobhit Dwivedi Ratings Analyst Board : +91 11 2341 2232 Ext : 109 shobhit.d@brickworkratings.com</p> <p>Satvinder Kumar Gakhar Associate Director - Ratings Board:+91 11 2341 2232 satvinder.g@brickworkratings.com</p>	<p>Liena Thakur</p> <p>Assistant Vice President - Corporate Communications</p> <p>+91 84339 94686</p> <p>liena.t@brickworkratings.com</p>

ANNEXURE I

Rex Global Ltd.

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.	State Bank of India	Fund Based	13.00	5.00	18.00
		Non-Fund Based	0.00	0.50	0.50
TOTAL					18.50

Total Rupees Eighteen Crores and Fifty lakhs Only.

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