

November 25, 2022

Shree Ram Rayon - Surat: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loans	5.44	5.44	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Cash Credit	2.75	2.75	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Seasonal Cash Credit	1.50	1.50	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Proposed Cash Credit	0.21	0.21	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	9.90	9.90	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the rating for the bank facilities of Shree Ram Rayon - Surat. in the 'Issuer Not Cooperating' category. The rating is denoted as “[ICRA]D; ISSUER NOT COOPERATING”

ICRA has been trying to seek information from the entity so as to monitor its Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Established in July 2014 and promoted by Patodia family, Shree Ram Rayon (SRR or the firm) is a family managed partnership firm engaged in the sizing and warping of yarn made out of FDY (Fully Drawn Yarn). Based out of Surat, SRR has a manufacturing facility located in Kamrej with an installed capacity to manufacture 5,000 MTPA of sized yarn.

The key partners of SRR are Mr. Pravin Patodiya, Mr. Rasik Patodiya and Mr. Ajit Patodiya who collectively look after the overall functions of business. Mr. Rasik Patodiya is a B-tech in textile technology. All the three managing partners have experience of over two decades in the textile industry especially in the field of textile chemicals and are actively engaged in textile chemical consulting activities for textile players. The firm has also been able to capitalize on a ready customer and supplier contacts through presence in this industry. The firm's sister concern; Shree Ram Bearings and Chemicals is engaged in the manufacture of textile chemicals which finds use in the sizing process

Status of non-cooperation with previous CRA:

CRA	Rating	Date
CRISIL	CRISIL D ISSUER NOT COOPERATING	Jun 15, 2022

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					November 25,2022	October 27,2021	August 31, 2020	-	
1	Term Loan	Long Term	5.44	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	-	
2	Cash Credit	Long Term	2.75	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	-	
3	Seasonal Cash Credit	Long Term	1.50	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	-	
4	Proposed Cash Credit	Long Term	0.21	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Seasonal Cash Credit	Simple
Proposed Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	5.44	[ICRA]D;ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	2.75	[ICRA]D;ISSUER NOT COOPERATING
NA	Seasonal Cash Credit	-	-	-	1.50	[ICRA]D;ISSUER NOT COOPERATING
NA	Proposed Cash Credit	-	-	-	0.21	[ICRA]D;ISSUER NOT COOPERATING

Source : Shree Ram Rayon - Surat

Annexure-2: List of entities considered for consolidated analysis: Not Applicable.

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