



**RISHIROOP**

Rishiroop Ltd.

(Formerly Puneet Resins Ltd)

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Mumbai 400 021, India

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CIN: L25200MH1984PLC034093

[www.rishiroop.in](http://www.rishiroop.in)

RL/MUM/AF/2017-18

June 23, 2017

Department of Corporate Services,  
BSE Limited  
14<sup>th</sup> Floor, P.J.Towers,  
Dalal Street,  
Mumbai 400 001.

Ref.: BSE Scrip Code No. 526492

Sub: CRISIL Rating

Dear Sir,

Pursuant to Reg.30 and applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we write to inform CRISIL has assigned **CRISIL A3+** rating to the Non-Convertible Redeemable Preference Shares issued by the Company.

Copy of the CRISIL letter and rating rationale is attached.

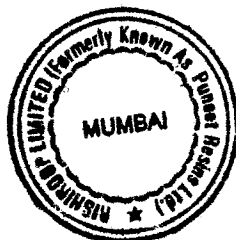
Kindly take the above on record.

Thanking you,

Yours Sincerely,

For RISHIROOP LIMITED

AGNELO A. FERNANDES  
COMPANY SECRETARY



CONFIDENTIAL

PUNRESI/180053/NCRPS/061717807  
June 23, 2017

**Mr. Suresh Khilnani**  
Chief Financial Officer  
**Rishiroop Limited**  
65, Atlanta, Nariman Point  
Mumbai - 400021

Dear Mr. Suresh Khilnani,

**Re: CRISIL Rating on the Rs.11.52 Crore Non Convertible Redeemable Preference Shares of Rishiroop Limited**

We refer to your request for a rating for the captioned Non-Convertible Redeemable Preference Shares.

CRISIL has, after due consideration, assigned its "CRISIL A3+" (pronounced as CRISIL A three plus rating) rating to the captioned debt instrument. Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Salim Suleman Yahoo  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



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CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363

## Rating Rationale

June 23, 2017 | Mumbai

### Rishiroop Limited

'CRISIL A3+' assigned to Non Convertible Redeemable Preference Shares

#### Rating Action

<b>Rs.11.52 Crore Non Convertible Redeemable Preference Shares</b>	<b>CRISIL A3+ (Assigned)</b>
--------------------------------------------------------------------	------------------------------

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL has assigned '**CRISIL A3+**' rating to the non convertible redeemable preference shares of Rishiroop Limited (RRL). Short term rating has been assigned since the tenure of redeemable preference shares is 6 months. The rating reflects the extensive experience of RRL's promoters and the robust financial risk profile of the company because of low gearing, strong debt protection metrics, and ample liquidity. These strengths are partially offset by the modest scale of operations in the highly fragmented trading industry and susceptibility of operating margin to raw material price volatility and intense competition.

#### Key Rating Drivers & Detailed Description

##### Strengths

**\* Extensive experience of promoter and established customer and supplier relations:**

Benefits from the promoter's Mr. Arvind Kapoor nearly four decades of experience in the industry and established relationship with suppliers and customers leading to consistent order flow should support business risk profile.

**\* Robust financial risk profile:**

Financial risk profile is robust, backed by healthy network and negligible gearing of Rs 55.78 crore and 0.05 time, as on March 31, 2017 and significant unencumbered marketable investment.

##### Weaknesses

**\* Modest scale of operations and intense competition:**

Scale of operation is small as reflected in turnover of Rs.46.5 crore for fiscal 2017. The synthetic rubber industry in India has many unorganised players, leading to direct competition for moderate size exporters such as RRL. Intense competition is expected to continue to constrain the company's business risk profile.

**\* Exposure to volatility in raw material prices and intense competition:**

A high inventory of 80-100 days has been maintained for the two years ended March 31, 2017, on account of the wide variety of products as well as increasing focus on trading operations. Due to this, profitability is highly susceptible to volatility in raw material prices operating margin quite volatile over the past 4 years. CRISIL believes that RRL carries the high inventory risk in case of sharp volatility in synthetic rubber prices due to its aggressive inventory policy.

#### Outlook: Stable

CRISIL believes RRL will continue to benefit from the extensive industry experience of its promoter. The outlook may be revised to 'Positive' if increase in scale of operations and profitability improves cash accrual. The outlook may be revised to 'Negative', if decline in operating margin or increase in working capital requirement weakens financial risk profile, particularly liquidity.

## **About the Company**

Formerly known as Puneet Resins Ltd, Rishirop Ltd (RRL) is the merged entity of Puneet Resins Ltd and Rishirop Rubber (International) Ltd. The company is listed on the Bombay Stock Exchange. RRL manufactures both chlorinated rubber (sold under brand name chlorub), acrylonitrile butadiene rubber (NBR) and poly-vinyl chloride (PVC) polymer blends (NBR / PVC Blends sold under Vinoprene & Vinoplast) in India. Headquartered in Mumbai, with registered office in Nashik, Rishirop Ltd has 3 plants (one each in Ankleshwar, Nashik & Wadivare) and warehouses in Bhiwandi (outskirts of Mumbai) and Chennai.

Profit after tax was Rs 3.48 crore on net sales of Rs 46.62 crore for fiscal 2017 against Rs 2.46 crore and Rs 38.45 crore, respectively, for fiscal 2016.

**Any other information:** Not applicable

## **Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

## Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Cr)	Rating assigned with outlook
INE582D04017	Non Convertible Redeemable Preference Shares	24-Feb-2017	NA	23-Aug-2017	11.52	CRISIL A3+

## Annexure - Rating History for last 3 Years

Instrument	Current			2017 (History)		2016		2015		2014		Start of 2014
	Type	Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Redeemable Preference Shares	ST	11.52	CRISIL A3+		--		--		--		--	--

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

### Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Criteria for rating trading companies](#)

### For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
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Last updated: April 2016

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