



Rating Rationale

Richa Industries Limited

12 July 2019

Brickwork Ratings has reaffirmed and withdrawn the rating simultaneously, based on best available information, for the Bank Loan Facilities amounting to ₹ 198.85 Cr of Richa Industries Limited.

Particulars

| Facility | Amount (₹ Crs) | | Tenure | Rating* | |
|--|----------------|----------------|---|---------------------------------------|---|
| | Previous | Present | | Previous | Present |
| Fund based Cash Credit Term Loan | 115.00 8.85 | 115.00 8.85 | Long Term | BWR D (Pronounced as BWR Single D) | Reaffirmed at BWR D (Pronounced as BWR Single D) and simultaneous Withdrawal of the same |
| Non Fund Based ILC/FLC/LG | 75.00 | 75.00 | Short Term | BWR D (Pronounced as BWR Single D) | Reaffirmed at BWR D (Pronounced as BWR Single D) and simultaneous Withdrawal of the same |
| Total | 198.85 | 198.85 | INR One Hundred and Ninety Eight Crores and Eighty Five Lakhs Only | | |

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings Reaffirmation and simultaneous Withdrawal

The rating was due for review in July 2019 and despite follow up from BWR, adequate information was not received from the Company to complete a rating review.

Follow-up with the Company has not resulted in any inflow of information and thus proper review of the rating was not possible. However, given the circumstances, non-cooperation from the client in providing relevant information/clarification is an indication of stress.

Thus, based on the above, ratings of the Company have been reaffirmed and withdrawn simultaneously in line with Withdrawal policy of BWR (notice of Withdrawal were also issued to the Company and the banks on 03 June 2019 which remained unresponded). The above rating action may not reflect the present



position of the Company's financial risk profile as information availability risk is a key factor in the assessment of credit risk.

About the Company (As available in July 2019)

Richa Industries Ltd, is a public listed company that was promoted by Mr. Sushil Gupta in the year 1993. It is engaged in knitting, dyeing and processing of knitted fabrics and manufacturing of readymade garments (now Textile Division). The manufacturing unit for this division is located at Faridabad.

In 2008, the Company entered into the business of manufacturing Pre-engineered buildings (PEB) and had set up a plant at Kashipur, Uttarakhand. The commercial operations for this division was initiated in 2009 with a production capacity of 72000 MT.

Rating History for the last three years

| S.No | Facility | Current Rating | | | Rating History | | |
|--------------|---|----------------|-------------------|---|----------------------------|---|--|
| | | Type | Amount (₹ Crs) | Rating | 17 July 2018 | 04 April 2018 | 20 Nov 2017 |
| 1 | Fund Based Cash Credit Term Loan | Long Term | 115.00 8.85 | BWR D (BWR Single D) and simultaneous withdrawal of the same | BWR D (BWR Single D) | BWR B (BWR Single B) (Negative) (Downgrade) | BWR BB (BWR Double B) (Stable) (Downgrade) |
| 2 | Non Fund Based LC | Short Term | 75.00 | BWR D (BWR Single D) and simultaneous withdrawal of the same | BWR D (BWR Single D) | BWR A4 (BWR A Four) (Reaffirmed) | BWR A4 (BWR A Four) (Downgrade) |
| Total | | | 198.85 | INR One Hundred and Ninety Eight Crores and Eighty Five Lakhs Only | | | |

Status of non-cooperation with previous CRA (if applicable)- N.A.

Any other information: Nil

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)



For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.