



Press Release

Regal Trading Private Limited

April 08, 2022

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facilities *	15.00	IVR BB+ Issuer Not Cooperating (IVR Double B Plus Issuer Not Co-operating)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
2.	Short Term Bank Facilities*	15.00	IVR A4+; Issuer Not Cooperating (IVR A Four Plus Issuer Not Co-operating)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
3.	Proposed Long Term Facilities	6.00	IVR BB+ Issuer Not Cooperating (IVR Double B Plus Issuer Not Co-operating)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
	Total	36.00			

*Interchangeability between Fund Based and Non- Fund Based limits upto Rs 5 crore for a period of 6 months within the overall exposure of Rs 30 crore

Details of Facilities are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Regal Trading Private Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated Nov 1, 2021, Nov 24, 2021, Dec 21, 2021, Jan 6, 2022, March 9, 2022, March 15, 2022, March 21, 2022, March 24, 2022, April 5, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details for surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long and short term ratings for the bank loan facilities aggregating to INR 36.00 Crore of Regal trading Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+: Issuer Not Co-operating;/ IVR A4+: Issuer Not Co-operating based on best available information (IVR Double B Plus: Issuer Not Co-operating; IVR A Four Plus: Issuer Not Co-operating); based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach: Standalone

Applicable Criteria

Financial Ratios & Interpretation (Non-Financial Sector) (<https://www.infomerics.com/rating-criteria-detail/financial-ratios--implication>)

Rating Methodology for Manufacturing Companies (<https://www.infomerics.com/rating-methodology-detail/manufacturing-companies>)

Guidelines on what constitutes Non-Cooperation by clients(<https://www.infomerics.com/policies-and-procedures-details/guidelines-on-what-constitute-noncooperation>)

About the Company

Incorporated in 1989, Regal Trading Private Limited (RTPL) was taken over by Late Mr. Radhey Shyam Poddar and his sons Mr.Jai Kishan Poddar and Mr.Vijay Kishan Poddar in 2001.Initially started with trading of timbers, the company presently is engaged trade, manufacture & supply of International quality teakwood and timber products like doors, doorframes, wooden beading & mouldings ,window frames etc. RTPL has 2 manufacturing plant, each in Ghaziabad (Comissioned in 2012-13) and Gandhidham (operational from May 2019).The company is also engaged in trading of rice & sugar and derives ~50% of the revenue from the trading agriculture products and rest from manufacturing & trading of timber &timber related products in FY20.

The company is currently in the process of merger of Sati Mansion Pvt. Ltd (SMPL, a group company of RTPL) which is expected to be completed in next financial year. SMPL was in



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timber trading however operations were discontinued in FY19 in order to consolidate timber business in one company. Merger with SMPL is expected to strengthen the capital structure of the company.

Financials (Standalone)

(INR Crore)

For the year ended*/As on	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	127.19	138.32
EBITDA	5.56	6.86
PAT	1.23	2.66
Total Debt	25.05	23.81
Tangible Net worth	22.16	24.84
Adjusted Net Worth [^]	23.66	26.34
EBITDA Margin (%)	4.37	4.96
PAT Margin (%)	0.97	1.92
Overall Gearing Ratio (x)	1.00	0.85

[^]Unsecured loan from promoter is treated as Quasi Equity.

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (Dated Jan 21, 2021)	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit*	Long Term	15.00	IVR BB+[INC]	-	IVR BBB-/Stable	--
2.	Letter of Credit*	Short Term	15.00	IVR A4+[INC]	-	IVR A3	--
3.	Proposed	long Term	6.00	IVR BB+[INC]	-	IVR BBB-/Stable	--

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities- Cash Credit*	-	-	-	15.00	



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					IVR BB+[INC](IVR Double B Plus Issuer Not Co-operating)
Short Term Bank Facilities- Letter of Credit*				15.00	IVR A4+; Issuer Not Co-operating(IVR A Four Plus Issuer Not Co-operating)
Long Term Bank Facilities- Proposed				6.00	IVR BB+[INC](IVR Double B Plus Issuer Not Co-operating)

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

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Regal-Trading-apr22.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.