



## Press Release

**Regal Trading Private Limited**

**May 01, 2023**

### Ratings

Facilities**	Amount (Rs. crore)	Previous Ratings	Current Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	15.00#	IVR BB+; Issuer Not Cooperating (IVR Double B Plus Issuer Not Cooperating)	IVR BB/Negative/ Issuer Not Cooperating (IVR Double B/Negative/ Issuer Not Cooperating)	Downgrade and continued under ISSUER NOT COOPERATING Category	Simple
Short Term Bank Facilities	15.00#	IVR A4+; Issuer Not Cooperating (IVR A Four Plus Issuer Not Cooperating)	IVR A4/ Issuer Not Cooperating (IVR A Four Issuer Not Cooperating)	Downgraded and Continued under ISSUER NOT COOPERATING Category	Simple
Proposed Long Term Facilities	6.00	IVR BB+; Issuer Not Cooperating (IVR Double B Plus Issuer Not Cooperating)	IVR BB/Negative/ Issuer Not Cooperating (IVR Double B/Negative/ Issuer Not Cooperating)	Downgrade and continued under ISSUER NOT COOPERATING Category	Simple
<b>Total</b>	<b>36.00</b>	<b>Rupees Thirty Six Crores Only</b>			

*#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.*

*\* Issuer not cooperating; Based on best available information*

*\*\* Details of facilities is given under Annexure I.*

### Ratings

The rating has been downgraded and continued under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.



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### **Detailed Rationale**

The rating revision is because of lack of adequate information regarding Regal Trading Private Limited Performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The rating was due for review in March 2023. IVR took up with issuer to provide required information vide multiple E-mail communications latest by April 24, 2023 and through various telephonic calls. Despite the best efforts of IVR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the entity, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. IVR has been regularly seeking No default statement (NDS) from the entity and the same has not been submitted. Hence, on account of inadequate information, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. 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.

### **Non-cooperation by Issuer**

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-term rating and short-term rating for the bank loan facilities aggregating to Rs. 36.00 Crore of M/s Regal Trading Private Limited have been downgraded and continued under 'ISSUER NOT COOPERATING' category by Infomerics and the rating for the long term be noted as IVR BB/Negative/; ISSUER NOT CO-OPERATING and short term as IVR A4; ISSUER NOT COOPERATING; based on best available information.



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**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

### **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 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):**

	<b>(Rs. crore)</b>	
<b>For the year ended*/As on</b>	<b>31-03-2019</b>	<b>31-03-2020</b>
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	127.19	138.32
EBITDA	5.56	6.86
PAT	1.23	2.66
Total Debt	23.05	23.81
Tangible Net worth	22.16	24.84
Adjusted Net Worth**	23.66	26.84
EBITDA Margin (%)	4.37	4.96
PAT Margin (%)	0.97	1.92
Overall Gearing Ratio (x) on Book TNW	1.00	0.85

\*Classification as per Infomerics' standards



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\*\*Unsecured loan from the promoter is treated as Quasi Equity.

**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 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (April 8, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (January 13, 2021)
1.	Fund Based Facilities	Long Term	15.00#	IVR BB/Negative/ Issuer Not Cooperating (IVR Double B/Negative/ Issuer Not Cooperating)	IVR BB+(INC)	-	IVR BBB-/Stable
2.	Non-Fund Based Facilities	Short Term	15.00#	IVR A4/ Issuer Not Cooperating (IVR A Four Issuer Not Cooperating)	IVR A4+(INC)	-	IVR A3
3.	Proposed	Long Term	6.00	IVR BB/Negative/ Issuer Not Cooperating (IVR Double B/Negative/ Issuer Not Cooperating)	IVR BB+(INC)	-	IVR BBB-/Stable

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

*#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.*



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### Name and Contact Details of the Rating Analyst:

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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](http://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 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 entity 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.



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### 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*	IVR BB/Negative/ Issuer Not Cooperating (IVR Double B/Negative/ Issuer Not Cooperating)
Short Term Bank Facilities - Letter of Credit	-	-	-	15.00*	IVR A4/ Issuer Not Cooperating (IVR A Four Issuer Not Cooperating)
Long Term Bank Facilities – Proposed	-	-	-	6.00	IVR BB/Negative/ Issuer Not Cooperating (IVR Double B/Negative/ Issuer Not Cooperating)

*\*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.*

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

**Annexure 3: Facility wise lender details.**

<https://www.infomerics.com/admin/prfiles/Len-RegalTrading-may23.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](http://www.infomerics.com)