



Press Release

R C Apparels

July 13, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	15.96	IVR BB-; Negative Outlook ISSUER NOT COOPERATING* (IVR Double B minus; Negative Outlook ISSUER NOT COOPERATING*)	Revised and migrated to ISSUER NOT COOPERATING Category and Outlook revised to Negative	Simple
Short Term Bank Facilities	0.10	IVR A4; Negative Outlook ISSUER NOT COOPERATING* (IVR A four; Negative Outlook ISSUER NOT COOPERATING*)	Revised and migrated to ISSUER NOT COOPERATING Category and Outlook revised to Negative	Simple
Total	16.06 (Rupees Sixteen Crores & Six Lakhs only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of R C Apparels reflects lack of adequate information available and 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.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities, vide email communication dated June 7, 2023, June 13, 2023, June 15, 2023, June 21, 2023 and July 04, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for monitoring the ratings.

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 ratings for the bank facilities of R C Apparels aggregating Rs.16.06 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

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

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Manufacturing Companies](#)

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

About the Company

R C Apparels is a Gurgaon based partnership firm which was registered in the year 2006 and is engaged in the manufacturing of readymade garments of both denim & non-denim variety. The firm has manufacturing units in Gurgaon wherein readymade clothes such as Men's Shirts, Bottomwear and Kurtis for women which are manufactured from cotton and denims and supplies to various reputed brands such as Pepe Jeans India Ltd, ITC Ltd, Aditya Birla Fashion & Retail Ltd, Spykar Lifestyle Pvt. Ltd., Benetton India Pvt Ltd.



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Financials (Standalone):

(Rs. crore)

For the year ended/ As on	31-03-2021	31-03-2022	31-03-2023
	Audited	Audited	Provisional
Total Operating Income	39.76	97.12	189.65
EBITDA	3.04	6.13	10.81
PAT	0.19	0.60	1.32
Total Debt	25.32	32.52	33.15
Tangible Net Worth (including quasi equity)	6.31	8.67	12.60
Ratios			
EBITDA Margin (%)	7.66	6.31	5.70
PAT Margin (%)	0.46	0.62	0.69
Overall Gearing Ratio (x)	4.01	3.75	2.63

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable

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 (May 12, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Fund Based	Long Term	15.96	IVR BB-; Negative Outlook ISSUER NOT COOPERATING*	IVR BB (Stable)	--	-
2.	Non-Fund Based	Short Term	0.10	IVR A4; Negative Outlook ISSUER NOT COOPERATING*	IVR A4	-	-

*Issuer did not cooperate; based on best available information



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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 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.



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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 Fund Based Bank Facilities - Cash Credit	-	-	-	11.50	IVR BB-; Negative Outlook ISSUER NOT COOPERATING* (IVR Double B minus; Negative Outlook ISSUER NOT COOPERATING*)
Long Term Fund Based Bank Facilities - Term Loan	-	-	-	3.00	
Long Term Fund Based Bank Facilities - GECL	-	-	-	1.46	
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	-	-	-	0.10	IVR A4; Negative Outlook ISSUER NOT COOPERATING* (IVR A Four; Negative Outlook ISSUER NOT COOPERATING*)

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

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

Annexure 3: Facility wise lender details: Not Applicable

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.