

August 21, 2023

Racy Sanitary Wares: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	5.00	5.00	[ICRA]BB- (Stable); withdrawn
Long-term – Fund-based – Term loan	4.34	4.34	[ICRA]BB- (Stable); withdrawn
Short-term – Non-fund based – Bank guarantee	0.80	0.80	[ICRA]A4; withdrawn
Long-term / Short-term – Unallocated	1.11	1.11	[ICRA]BB- (Stable)/[ICRA]A4; withdrawn
Total	11.25	11.25	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Racy Sanitary Wares at the request of the company and based on the rating waiver letter received from the banker, and in accordance with its policy on rating withdrawal. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the rated entity.

About the company

Racy Sanitary Wares (RSW), established in January 2014 as a partnership firm, manufactures ceramic sanitary ware such as wash basins, pedestal wash basins, wall hung, closets, urinals, sinks, etc. The manufacturing facility at Wankaner (Gujarat) has an installed capacity of 6 lakh pieces per annum. RSW is managed by partners who have extensive experience in the ceramic sanitary ware industry through their association with other entities involved in the related business, namely Big Tiles and Bonza Vitrified Pvt. Ltd.

Key financial indicators (Audited)

Standalone	FY2022	FY2023*
Operating income (Rs. crore)	58.3	72.8
PAT (Rs. crore)	2.3	1.3
OPBDIT/OI (%)	7.7%	6.3%
PAT/OI (%)	3.9%	1.7%
Total outside liabilities/Tangible net worth (times)	2.4	2.5
Total debt/OPBDIT (times)	3.6	3.6
Interest coverage (times)	2.9	1.7

Source: Company data, ICRA Research

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortization; *Provisional financials

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

SN Instrument	Type	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years		
		Amount Rated (Rs. crore)	Amount Outstanding as on Aug 9, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				Aug 21, 2023	May 02, 2022	Apr 08, 2021	Jul 7, 2020
1 Term loan	Long-Term	4.34	3.61	[ICRA]BB-(Stable); Withdrawn	[ICRA]BB- (Stable)	[ICRA]BB-(Stable)	[ICRA]B+(Stable)
2 Cash credit	Long-Term	5.00	-	[ICRA]BB-(Stable); Withdrawn	[ICRA]BB- (Stable)	[ICRA]BB-(Stable)	[ICRA]B+(Stable)
3 Bank guarantee	Short-Term	0.80	-	[ICRA]A4; Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4
4 Unallocated	Long-Term/Short Term	1.11	-	[ICRA]BB-(Stable)/[ICRA]A4; Withdrawn	[ICRA]BB- (Stable) / [ICRA] A4	[ICRA]BB-(Stable)/[ICRA] A4	[ICRA]B+(Stable) / [ICRA] A4

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loan	Simple
Cash credit	Simple
Bank guarantee	Very Simple
Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	FY2018	NA	FY2030	4.34	[ICRA]BB-(Stable); Withdrawn
NA	Cash credit	NA	NA	NA	5.00	[ICRA]BB-(Stable); Withdrawn
NA	Bank guarantee	NA	NA	NA	0.80	[ICRA]A4; Withdrawn
NA	Unallocated limits	NA	NA	NA	1.11	[ICRA]BB-(Stable)/[ICRA]A4; Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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