

March 24, 2020

Radhika Industries: Continues to Issuer Non-Cooperating category, Ratings downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term, Fund-based Limits – Bill Discounting/Purchase	34.00	34.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' category.
Long-term, Fund-based Limits –Cash Credit [^]	(8.00)	(8.00)	[ICRA]B+(Stable) ISSUER NOT COOPERATING/ *; Rating downgraded from [ICRA]BB-(Stable) and continues to remain under the 'Issuer Not Cooperating' category.
Total	34.00	34.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Radhika Industries performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". 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.

As part of its process and in accordance with its rating agreement with Radhika Industries, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Radhika Industries (RI), an ISO 9001:2008 certified concern, is engaged in the manufacture, fabrication and assembling of electrical lighting and fitting products. The firm is a part of the R.K. Group, which comprises two other entities engaged in the electrical industry. RI's product profile includes electrical equipment such as conventional ballast (choke), electronic ballast, domestic lighting and fitting components, fixtures, lamp caps, lamination and electronic ballasts and LED lighting products. The firm has a registered office at Lower Parel, Mumbai, and a manufacturing facility at Daman. The firm was reconstituted into a private limited company, Radhika Opto Electronics Private Limited, with effect from October 2016.

Status of non-cooperation with previous CRA: None

Any other information: None

Key financial indicators (audited):

	FY2018	FY2019
Operating Income (Rs. crore)	220.6	269.1
PAT (Rs. crore)	1.2	2.4
OPBDIT/OI (%)	3.9%	4.8%
RoCE (%)	19.0%	22.8%
Total Outside Liabilities/Tangible Net Worth (times)	10.1	12.4
Total Debt/OPBDIT (times)	3.8	3.9
Interest Coverage	1.2	1.5
DSCR	1.4	1.5

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					24-Mar-2020	27-Dec-2018	31-Aug-2017	-
1	Fund Based	Short Term	34.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING	-
2	Interchangeable	Long Term	(8.00)	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable) ISSUER NOT COOPERATING	[ICRA]BB- (Stable) ISSUER NOT COOPERATING	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based	-	-	-	34.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	(8.00)	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Radhika

Industries

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About ICRA Limited:

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