

Press Release

Ritika Systems Private Limited

January 07, 2021

Rating Update



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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs.20.00 Cr.# |
| Long Term Rating | ACUITE B+ Downgraded & Issuer not co-operating* |
| Short Term Rating | ACUITE A4 Downgraded & Issuer not co-operating* |

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.20.00 crore bank facilities of Ritika Systems Private Limited (RSPL). The rating is flagged to be "Issuer Not-Cooperating" and is downgraded on account of information risk.

Delhi-based RSPL was incorporated in 1985 and headed by Mr. Ashok Kumar Wadhwa and Mr. Samarth Wadhwa the company is engaged in the designing, manufacturing, installation and maintenance of solar photovoltaic systems, solar lanterns, and solar home lighting systems. The manufacturing facilities of the company are located at Noida and Neemrana (Rajasthan) with the installed capacity of 10 megawatts and 30 megawatts respectively.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity- Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Not Applicable

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------|---------------------------------|------------|-----------------------------------|--|
| 24-Oct-2019 | Cash Credit | Long term | 6.50 | ACUITE BB-/Stable (Downgraded from ACUITE BB+/Stable) |
| | Proposed bank facilities | Long term | 3.50 | ACUITE BB-/Stable (Assigned) |
| | Bank Guarantee | Short term | 10.00 (Revised from Rs. 6.00 Cr.) | ACUITE A4+ (Reaffirmed) |
| 18-Mar-2019 | Term Loan | Long term | 0.24 | ACUITE BB+ Issuer not cooperating* |
| | Cash Credit | Long term | 6.50 | ACUITE BB+ Issuer not cooperating* |
| | Bank Guarantee | Short term | 6.00 | ACUITE A4+ Issuer not cooperating* |
| | Proposed Cash Credit | Long term | 3.38 | ACUITE BB+ Issuer not cooperating* |
| | Proposed Bank Guarantee | Short term | 3.88 | ACUITE A4+ Issuer not cooperating* |
| 25-Jan-2018 | Term Loan | Long term | 0.24 | ACUITE BB+ / Stable (Assigned) |
| | Cash Credit | Long term | 6.50 | ACUITE BB+ / Stable (Assigned) |
| | Bank Guarantee | Short term | 6.00 | ACUITE A4+ (Assigned) |
| | Proposed Cash Credit | Long term | 3.38 | ACUITE BB+ / Stable (Assigned) |
| | Proposed Bank Guarantee | Short term | 3.88 | ACUITE A4+ (Assigned) |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|--------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 6.50 | ACUITE B+ (Indicative & Downgraded) |
| Proposed bank facilities | Not Applicable | Not Applicable | Not Applicable | 3.50 | ACUITE B+ (Indicative & Downgraded) |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 10.00 | ACUITE A4 (Indicative & Downgraded) |

**The issuer did not co-operate; based on best available information.*

Contacts

| Analytical | Rating Desk |
|---|---|
| Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Nikhilesh Pandey Rating Analyst - Rating Operations Tel: 011-4973 1304 nikhilesh.pandey@acuite.in | Varsha Bist Sr. Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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