

Press Release

Reach Distributors (India) Private Limited

February 08, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.00	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	1.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	10.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuité has downgraded its long term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB**' (read as **ACUITE double B**) and short term rating to '**ACUITE A 4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.10.00 crore bank facilities of Reach Distributors (India) Private Limited. This rating is now an indicative rating and is based on best available information.

The rating is downgraded due to delay in repayment of Term Loan.

About the Company

Reach Distributors (India) Private Limited (RDPL), based out of Koramangala, Bangalore was incorporated in the year 2008 by Mr. Ricky Gosain and his wife Mrs. Simran Gosain. The Company initially was into selling, distribution and branding for BPL electronics. It was a licensed distributor of BPL TVs in 20 states. Since 2018, the company is selling its own LED TV brand named "NVY"

Non-cooperation by the issuer/borrower

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 10 consecutive months. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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.

Rating Sensitivities

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Mar 2021	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	5.50	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Proposed Bank Facility	Long Term	3.50	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
09 Dec 2019	Cash Credit	Long Term	3.90	ACUITE BB- Stable (Assigned)
	Proposed Bank Facility	Long Term	5.10	ACUITE BB- Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE C Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE C Downgraded Issuer not co-operating*

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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 8,850 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 Kanjurmarg, Mumbai.

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