Press Release

RAINBOW RICE PRIVATE LIMITED

June 17, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Sh
Bank Loan Ratings	48.00	ACUITE C | Downgraded | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	48.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to **'ACUITE C' (read as ACUITE C)** from **'ACUITE B+' (read as ACUITE B Plus)** on the Rs. 48.00 crore bank facilities of Rainbow Rice Private Limited (RRPL). The rating continues to be flagged as "Issuer Not Co-operating" and is based on the best available information.
The downgrade is based on delays being reflected in the CRIF highmark report and other publicly available information.

About the Company

Incorporated in 2010, Rainbow Rice Private Limited (RRPL) is a Haryana-based company promoted by Mr. Sunil Kumar and Mr. Surinder Kumar. The company is engaged in the milling of rice and cotton seed crushing at Pehowa, Haryana. Rainbow Rice Private Limited (RRPL) has installed capacity of 12 tons per hour (tph) for rice milling and a sortex plant with capacity of 20 tph. The company has installed capacity for cotton seed crushing is 200 quintals per day.

Unsupported Rating

Not Applicable

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

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

Liquidity Position

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

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	0.00	14.23
PAT	Rs. Cr.	(7.49)	(9.17)
PAT Margin	(%)	(151351.09)	(64.44)
Total Debt/Tangible Net Worth	Times	(2.28)	(2.81)
PBDIT/Interest	Times	0.00	(1.28)

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

• Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Mar 2024	Cash Credit	Long Term	40.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	6.78	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.23	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.99	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
15 Dec 2022	Cash Credit	Long Term	40.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	6.78	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.23	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.99	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
21 Sep 2021	Cash Credit	Long Term	45.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Working Capital Demand Loan	Long Term	0.45	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.59	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.96	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	40.00	ACUITE C | Downgraded | Issuer not co-operating* (from ACUITE B+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.78	ACUITE C | Downgraded | Issuer not co-operating* (from ACUITE B+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.23	ACUITE C | Downgraded | Issuer not co-operating* (from ACUITE B+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.99	ACUITE C | Downgraded | Issuer not co-operating* (from ACUITE B+)

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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.