

Press Release

Mahalaxmi Paddy Products Private Limited

April 22, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.50	ACUITE C Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	20.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as ACUITE C) from 'ACUITE BB-' (read as ACUITE double B minus) on the Rs. 20.50 crore bank facilities of Mahalaxmi Paddy Products Private Limited (MPPPL). The rating is flagged as "Issuer Not Cooperating" and is based on best available information.

Rationale for rating downgrade

There is lack of latest information for assigning the rating and also the credit bureau report states delinquency in servicing of term loan by the entity for the month of November, December, January and February. However, the banker has only stated that there is delay in January instalment by few days but not confirmed about the delays in November, December and February. Therefore, the team is unable to establish the default for the facilities rated.

About the Company

Incorporated in the year 1990, Mahalaxmi Paddy Products Private Limited (MPPPL) is an Uttar Pradesh based company promoted by Mr. Arun Kumar Maheshwari and Mrs. Usha Maheshwari. The company is engaged in the processing, milling and trading of basmati rice. The manufacturing facility is located at Uttar Pradesh with an installed capacity of 8tons/hour where the plant runs for 16 hours, processing 128 tons of paddy with a utilization of 78%. The company is also engaged in the trading of basmati rice of other brands.

Non-cooperation by the issuer/borrower

Acuite 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 notcooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit ratings 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

None

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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Feb 2021	Term Loan	Long Term	0.33	ACUITE BB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	5.17	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BB- Stable (Reaffirmed)
11 Nov 2019	Letter of Credit	Short Term	0.85	ACUITE A4 (Withdrawn)
	Cash Credit	Long Term	12.00	ACUITE BB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	3.35	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	0.80	ACUITE BB- Stable (Reaffirmed)
19 Oct 2018	Letter of Credit	Short Term	0.85	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE BB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	2.95	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.20	ACUITE BB- Stable (Reaffirmed)
13 Feb 2018	Cash Credit	Long Term	11.16	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Term Loan	Long Term	2.99	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Letter of Credit	Short Term	0.85	ACUITE A4 (Reaffirmed)

01 Nov 2016	Cash Credit	Long Term	8.95	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	2.99	ACUITE B+ Stable (Assigned)
	Letter of Credit	Short Term	0.85	ACUITE A4 (Assigned)
	Proposed Long Term Loan	Long Term	2.21	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	5.17	ACUITE C Downgraded Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.33	ACUITE C Downgraded Issuer not co-operating*

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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.

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