

## Press Release

Raja Enterprises

July 04, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.90	-	ACUITE D   Downgraded   Issuer not co-operating*
Bank Loan Ratings	16.00	ACUITE D   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	16.90	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

ACUITE has downgraded the long term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE B-'** (read as ACUITE B minus) and the short term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE A4** ' (read as ACUITE A four) to the Rs.16.90 Cr bank facilities of Raja Enterprises. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

The downgrade is on the basis of publicly available information that the company has reported about the ongoing delays in their repayments of term loan (Principal and Interest) and delays in payment of interest on cash credit facility for more than 30 days. The company has been non-cooperative with us since the past four years and has not been submitting No Default Statement (NDS) also.

### About the Company

RE is a partnership firm that was established in 1983. The firm presently has 3 partners, who are all family members. The business is primarily managed by Mr. Gnanaraj and his two sons. The partner's family has been in the business of distributing ITC products in Trichy district (Tamil Nadu), since 1958. The products that are distributed include cigarettes such as Classic, Gold Flake, Navy Cut and food products such as Aashirvaad Atta, Sunfeast Biscuits, BINGO, among others.

### 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 endeavoured 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 rating is based.

### About the Rated Entity - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts

### Rating Sensitivity

"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

### Status of non-cooperation with previous CRA

None

### Any other information

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

### Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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
23 Feb 2022	Standby Line of Credit	Short Term	0.90	ACUITE A4 ( Issuer not co-operating*)
	Cash Credit	Long Term	16.00	ACUITE B- ( Issuer not co-operating*)
24 Nov 2020	Standby Line of Credit	Short Term	0.90	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	16.00	ACUITE B- (Issuer not co-operating*)
11 Sep 2019	Cash Credit	Long Term	16.00	ACUITE B- (Issuer not co-operating*)
	Standby Line of Credit	Short Term	0.90	ACUITE A4 (Issuer not co-operating*)
21 Jun 2018	Cash Credit	Long Term	16.00	ACUITE B- (Issuer not co-operating*)
	Standby Line of Credit	Short Term	0.90	ACUITE A4 (Issuer not co-operating*)
12 Apr 2017	Cash Credit	Long Term	16.00	ACUITE B-   Stable (Assigned)
	Standby Line of Credit	Short Term	0.90	ACUITE A4 (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE D   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	0.90	ACUITE D   Downgraded   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Abhishek Singh Junior Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:abhishek.s@acuite.in">abhishek.s@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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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