

Press Release

Vardhman Rice And General Mills

June 15, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 10.00 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 10.00 crore bank facilities of Vardhman Rice and General Mills. This rating is now an indicative rating and is based on best available information.

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 due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/criteria-manufacturing.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). 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

Vardhman Rice and General Mills (VRGM) established in 2001 was converted to a partnership firm in 2014. The company is engaged in the milling and processing of basmati rice under the brand name 'Life OK' at Jind, Haryana. The processing capacity stands at 720 metric tonnes per month. The company sells its products (rice, rice bran, broken rice) in Haryana, Delhi, Maharashtra and Uttar Pradesh.

For FY2015-16, VRGM reported profit after tax (PAT) of Rs.0.02 cr on operating income of Rs.38.36 cr as against PAT of Rs.0.02 cr on operating income of Rs.23.76 cr for FY2014-15. The net worth stood at Rs.2.03 cr as on March 31, 2016 against Rs.2.26 cr a year earlier.

Any other information:

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
26-04-2017	Inventory Funding	Long term	3.00	ACUITE B+/Stable (Assigned)
	Cash Credit	Long term	7.00	ACUITE B+/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Inventory Funding	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B+ Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE B+ Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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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