

Press Release

Ekta Rice Land

July 21, 2021



Rating Downgraded

Total Bank Facilities Rated*	Rs. 14.00 Cr.
Long Term Rating	ACUITE D (Downgraded and Indicative)

* Refer Annexure for details

Rating Rationale

ACUITE has downgraded the long-term rating to '**ACUITE D' (read as ACUITE D) from 'ACUITE B+' (read as ACUITE B plus)**' on the Rs. 14.00 Cr bank facilities of Ekta Rice Land. This rating continues to be an indicative rating and is based on best available information.

The downgrade is on the basis of the publicly available information that the company has delayed in servicing of debt obligations.

About the company

Ekta Rice Land (ERL) a Karnal based partnership firm established in the year 2014 and started its operation in the year 2016 is actively managed by Mr. Surinder Kumar, Mr. Hari Krishan and other 2 partners, engaged in milling and trading of basmati and non-basmati rice with the milling capacity of 15 tonnes per hours. ERL sells through suppliers and traders to Punjab, Haryana and U.P. The firm also exports through exporters based out of Delhi.

About the Group

The group has centralised procurement wherein it procures mainly from the local mandi against credit period of around 30 to 40 days and the procurement season is during November to March every year.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Ekta Rice Land to arrive at the rating.

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. This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

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

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

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

About the Rated Entity - Key Financials (Standalone): 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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount	Ratings/Outlook
			(Rs. Crore)	
13-11-2020	Term Loan	Long term	4.00	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
	Cash Credit	Long term	5.65	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
	Proposed Bank Facility	Long term	4.35	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*
03-09-2019	Term Loan	Long term	4.00	ACUITE BB- Issuer not co-operating*
	Cash Credit	Long term	5.65	ACUITE BB- Issuer not co-operating*
	Proposed Bank Facility	Long term	4.35	ACUITE BB- Issuer not co-operating*
22-06-2018	Term Loan	Long term	4.00	ACUITE BB-/ Stable (Upgraded from ACUITE B/Stable)
	Cash Credit	Long term	5.65(reduced from Rs. 10.00 Crore)	ACUITE BB-/ Stable (Upgraded from ACUITE B/Stable)
	Proposed Bank Facility	Long term	4.35	ACUITE BB-/ Stable (Assigned)

***Annexure—Details of instruments rated**

Instrument Information

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not Available	Not Available	Not Available	4.00	ACUITE D (Downgraded & Indicative)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.65	ACUITE D (Downgraded & Indicative)
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	4.35	ACUITE D (Downgraded &

					Indicative)
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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 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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