

Press Release

Sri Jagannadha Surya Lakshmi Rice Mill

October 30, 2020



Rating Update

Total Bank Facilities Rated*	Rs.11.50 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co- operating*

Refer Annexure for details`

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

Acuité has reviewed and downgraded the long-term rating to '**ACUITE B+**' (**read as ACUITE B plus**) from '**ACUITE BB-**' (**read as ACUITE double B minus**) and the short term rating to '**ACUITE A4**' (**read as Acuite A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.11.50 crore bank facilities of Sri Jagannadha Surya Lakshmi Rice Mill (NIPL). The rating is now an indicative rating and is based on the best available information. The downgrade is based on information risk.

Established in 1981, as a partnership firm, Sri Jagannadha Surya Lakshmi Rice Mill is engaged in processing of raw and boiled rice. Based in Palakollu (Andhra Pradesh), the entity is promoted by Mr. Jagannadha Raju, Mr. Rama Koti Raju, Mr. Dharma Raju and Mr. Ramachandra Raju. The entity has sortex and milling installed capacity of 6 Tons per hour (TPH). The promoters have two more rice mills - Sri Satyalakshmi Rice Mill (SSLRM) and Balaji Rice Mill (BRM) established in 1984 and 1983 respectively. Both these rice mills are based out of Palakollu with a milling capacity of 6 TPH each.

Analytical Approach

Acuité has considered the consolidated business and financial risk profiles of Sri Jagannadha Surya Lakshmi Rice Mill, Sri Satyalakshmi Rice Mill and Balaji Rice Mill (referred to as Jagannadha group) to arrive at the rating basis common management and similar line of business. Extent of Consolidation: Full

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 an 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.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios and Adjustments -<https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Consolidation of companies - <https://www.acuite.in/view-rating-criteria-60.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.

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA (if applicable)

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 (Rs. Cr.)	Ratings/Outlook
22-Aug-2019	Cash Credit	Long Term	7.00	ACUITE BB-/Stable (Reaffirmed)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Reaffirmed)
08-Dec-2019	Cash Credit	Long Term	7.00	ACUITE BB-/Stable (Reaffirmed)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Reaffirmed)
06-Sep-2018	Cash Credit	Long Term	7.00	ACUITE BB- (Indicative)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Indicative)
20-Jun-2017	Cash Credit	Long Term	7.00	ACUITE BB-/Stable (Assigned)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Available	Not Available	Not Available	7.00	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

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

Contacts

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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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