

Press Release

BALAJI RICE MILL (TAMIL NADU)

April 18, 2024

Rating Reaffirmed and Issuer not co-operating



| Product | Quantum (Rs. Cr) | Long Term Rating | Sh |
|------------------------------------|---------------------|--|----|
| Bank Loan Ratings | 6.60 | ACUITE B Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 6.60 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE B' (read as ACUITE B) on the Rs.6.60 crore bank facilities of Balaji Rice Mill (Tamil Nadu). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Balaji Rice Mill (Tamil Nadu), established in 1975 by Mr. Ramalinga Reddiar, is a proprietorship firm engaged in processing and trading of rice and bran, based in Tindivanam at Villupuram. Balaji Rice Mill runs a rice mill in Tindivanam (Villupuram) with a capacity of processing around 9000 Kg per day.

About the Group

Established in 1983 as a partnership firm, Balaji Rice Mill (BRM) 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 capacity of 6 Tons Per Hour (TPH). The promoters have two more rice mills - Sri Satya lakshmi Rice Mill (SSRM) and Sri Jagannadha Surya Lakshmi Rice Mill (SJSLRM) established in 1984 and 1981, respectively. Both these rice mills are based out of Palakollu with milling capacity of 6 TPH each.

Unsupported Rating

Not Applicable

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. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 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). 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 16 (Provisional) | FY 15 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 36.27 | 30.41 |
| PAT | Rs. Cr. | 0.10 | 0.08 |
| PAT Margin | (%) | 0.26 | 0.27 |
| Total Debt/Tangible Net Worth | Times | 1.95 | 2.45 |
| PBDIT/Interest | Times | 1.43 | 1.41 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---|
| 25 Jan 2023 | Cash Credit | Long Term | 6.00 | ACUITE B Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 0.60 | ACUITE B Not Applicable (Reaffirmed & Issuer not co-operating*) |
| 27 Oct 2021 | Term Loan | Short Term | 0.60 | ACUITE B (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 6.00 | ACUITE B (Reaffirmed & Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------|----------------------|-------------|----------------------|----------------------|----------------------|------------------|-------------------|--|
| DBS Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 6.00 | ACUITE B Reaffirmed Issuer not co-operating* |
| DBS Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.60 | ACUITE B Reaffirmed Issuer not co-operating* |

Contacts

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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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