

Press Release

Kamla Rice & General Mills

November 07, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.60	ACUITE D Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	9.60	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Erratum: In the original PR dated November 03,2022, Limitation Regarding Information Availability Statement was incorrect which has now been revised in this version.

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. 9.60 crore bank facilities of Kamla Rice and General Mills (KRGGM).

The downgrade is on the basis of ongoing delays in their repayments of the company. The company has been non-cooperative with us since the past four years and has not been submitting No Default Statement (NDS) also. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

KRGGM, established in 1994, is a Karnal-based proprietorship concern. The proprietor, Mr. Vipin Goel, has extensive experience in the rice milling business. The firm is engaged in the milling and processing of basmati and non-basmati rice and has an installed capacity of 1920 ton rice per month. The firm sells its products under the 'Good wish' brand name.

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 noncooperation 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). Acuite endeavored 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 requests.

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

Other Factors affecting Rating

Not applicable

Status of non-cooperation with previous CRA

CARE, vide its press release dated January 12, 2022 had denoted the long term rating of Kamla Rice & General Mills as 'CARE B; Stable; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

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

- 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
22 Dec 2021	Cash Credit	Long Term	9.45	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	0.15	ACUITE B+ (Issuer not co-operating*)
29 Sep	Cash Credit	Long Term	9.45	ACUITE B+ (Downgraded and Issuer not co-operating*)

2020	Term Loan	Long Term	0.15	ACUITE B+ (Downgraded and Issuer not co-operating*)
09 Jul 2019	Term Loan	Long Term	0.15	ACUITE BB- (Issuer not co-operating*)
	Cash Credit	Long Term	9.45	ACUITE BB- (Issuer not co-operating*)
12 Apr 2018	Cash Credit	Long Term	9.45	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	0.15	ACUITE BB- (Issuer not co-operating*)
10 Apr 2017	Cash Credit	Long Term	9.45	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.15	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.45	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.15	ACUITE D Downgraded 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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