



RATING RATIONALE

30 June 2020

Amritsar Rice Land

Brickwork Ratings Revises the Long Term rating for the Bank Loan Facilities of ₹. 28.50 Crores of Amritsar Rice Land based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Nov' 2018)	Present
Fund Based					
Cash Credit	27.00	27.00	Long	BWR BB (Stable)	BWR BB- (Stable)
Term Loan**	1.50	1.50	Term	[Upgraded]	[Downgraded]
					“Issuer Not Cooperating”
Total	28.50	28.50	INR Twenty Eight Crores and Fifty lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

**Outstanding balance as available with BWR in Nov'2018

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating has been downgraded to BWR BB- (Stable) for the Bank Loan Facilities of the firm under the ‘Issuer Not Cooperating’ category, based on the below said updates.

BWR had initially assigned the rating of BWR BB-(Stable) for the bank loan facilities on 01.08.2016. The rating was then reaffirmed on 18.09.2017. On 23.11.2018, the rating was upgraded to BWR BB (Stable). The rating was due for review in Nov' 2019. BWR took up with the issuer consistently to provide required information over emails apart from regular telephonic communication. Monthly No Default Statement (NDS) is also not being submitted by the client. Further, as we are unable to reach the bankers, conduct of account is not available with us.

Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm’s financial performance and its ability to service its debt and maintain a valid rating.



LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Operating Income	₹ Cr	110.20	116.54
EBIDTA	₹ Cr	7.09	7.07
PAT	₹ Cr	1.66	0.45
Tangible Networth	₹ Cr	13.43	9.92
Total Debt : TNW	Times	2.97	5.38
Current Ratio	Times	1.31	1.27

COMPANY PROFILE (As available with BWR in Nov’ 2018)

Amritsar Rice Land, a partnership firm was established in 2013. The firm is located at Rani Ka Bagh, Amritsar and the factory at village Sansara, Tehsil Ajnala, District Amritsar. The firm is running a fully automatic rice mill (Parboiled, Steam and Raw Rice) with installed capacity of 9MT paddy shelling per hour. The firm started commercial production from October 2013. ARL markets its products in the domestic and international market under its own brand “Wagah” through a network of distributors covering 5-6 states. The rice is sold in packs of 1, 2, 5, 10 and 25 kgs under its own brand name WAGAH. The firm has covered storage of 20,000 MT for Paddy/rice.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Available



RATING HISTORY FOR THE PAST THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2017*
Fund Based Cash Credit Term Loan	Long Term	27.00 1.50	BWR BB- (Stable) [Downgraded] “Issuer Not Cooperating”	-	BWR BB (Stable) [Upgraded]	BWR BB- (Stable) [Reaffirmed]
Total		28.50	INR Twenty Eight Crores and Fifty Lakhs Only			

*On 01 Aug’ 2016; long term rating BWR BB- (Stable) was assigned

COMPLEXITY LEVELS OF THE INSTRUMENTS For more information, visit
www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I

Amritsar Rice Land

Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Punjab National Bank	Cash Credit Term Loan	27.00 1.50	-	27.00 1.50
TOTAL					28.50

Total Rupees Twenty Eight Crores and Fifty lakhs only.

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