

RATING RATIONALE

25 Jan 2021

Astha Rice Mill Pvt. Ltd.

Brickwork Ratings downgrades the rating for long term bank loan facilities and reaffirms the rating for the short term bank loan facilities aggregating Rs. 5.75 Crs. of Astha Rice Mill Pvt. Ltd. (“ARMPL” or “The Company”), while retaining the ratings in the “Issuer Not Cooperating” category, based on best available information, as the issuer did not cooperate.

Particulars

Facilities*	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		Previous (Nov. 2019)	Present
Fund Based	5.50	5.50	Long Term	BWR B (Stable) Downgraded Issuer Not Cooperating**	BWR B- (Stable) Downgraded Issuer Not Cooperating**
Non Fund Based	0.25	0.25	Short Term	BWR A4 Reaffirmed Issuer Not Cooperating**	BWR A4 Reaffirmed Issuer Not Cooperating**
Total	5.75	5.75	Rupees Five Crores and Seventy Five Lakhs Only		

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

* Details of Bank facilities is provided in Annexure-I

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

RATING ACTION

Brickwork Ratings has **downgraded** the rating for the long term bank loan facilities aggregating Rs. 5.50 crs of Astha Rice Mill Pvt. Ltd. from BWR B (Stable) to **BWR B- (Stable)** and has **reaffirmed** the rating for their short term bank loan facilities of Rs. 0.25 crs at **BWR A4** (aggregate rated amount Rs. 5.75 crs), while **retaining** the ratings in the “**Issuer not Cooperating**” category, based on best available information as the issuer did not cooperate.

NATURE OF NON-COOPERATION

The initial rating of BWR B+ (Stable)/A4 was assigned on 31 March 2018 to the bank loan facilities of the company aggregating Rs. 5.75 Crs. Due to lack of cooperation from the issuer despite continued follow up to enable us to carry out a review, the long term rating was downgraded to BWR B (Stable) and short term rating was reaffirmed at BWR A4 and moved to

“Issuer Not Cooperating” category in November 2019. BWR once again took up with the company and its banker recently, over emails and through telephone calls requesting documentation and information for surveillance or withdrawal of its rating. Despite the best efforts of BWR to get at least the minimum required information for a review/withdrawal, the entity has not provided the same, nor have they shared the latest financials of the company. The company has also not been submitting the No Default Statements.

In the absence of managerial cooperation on the part of the company to provide adequate information about itself, coupled with non submission of NDS, and non response to our mail requesting the client to initiate action for withdrawal of the ratings, BWR is unable to assess the company’s financial performance or its ability to service its debt and maintain a valid rating. Accordingly, the rating is retained under “**Issuer Not Cooperating**” category. The rating **Downgradation/ Reaffirmation** is based on the lack of up to date feedback on the company - either from the company itself or from its lenders.

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 rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of the information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in March 2018]

Key Financial Indicators	Units	FY 17	FY 16
Result Type		Audited	Audited
Operating Income	₹ Crs	25.29	19.23
EBITDA	₹ Crs	0.97	1.01
PAT	₹ Crs	0.31	0.22
Tangible Net Worth(TNW)	₹ Crs	2.75	2.44
Total Debt/TNW	Times	1.67	1.94
Current Ratio	Times	1.13	1.19

COMPANY PROFILE (Information as available in March 2018)

Astha Rice Mills Pvt Ltd was incorporated in April 2010 and promoted by Mr. Samsul Alam Seikh, Mr. Golam Ahmed, Mr. Saidul Alam Seikh and Mr. Anisul Ambia Seikh. The promoters of the company have set up a 48TPD paddy milling plant on double shift basis located at Paraj, Burdwan in West Bengal. In addition to rice brand name MOTI BHOG and ASTHA PREMIUM it manufactures rice bran as a by-product.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

S. No	Name of Instrument	Current Rating-2021			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable														
		Type	Amount Outstanding (₹ Crs.)	Rating	Date(s) & rating(s) assigned in year 2020	Date(s) & rating(s) assigned in year 2019	Date(s) & rating(s) assigned in year 2018												
1.	Bank Loan Facility	Fund Based-Long Term	5.50	BWR B- (Stable) Downgraded Issuer Not Cooperating**	-	20.11.19	31.03.18^												
		Non Fund Based-Short Term	0.25	BWR A4 Reaffirmed Issuer Not Cooperating**		<table border="1"> <tr> <td>F B</td> <td>5.50</td> <td>BWR B (Stable) Downgraded Issuer Not Cooperating**</td> </tr> <tr> <td>N F B</td> <td>0.25</td> <td>BWR A4 Reaffirmed Issuer Not Cooperating**</td> </tr> </table>	F B	5.50	BWR B (Stable) Downgraded Issuer Not Cooperating**	N F B	0.25	BWR A4 Reaffirmed Issuer Not Cooperating**	<table border="1"> <tr> <td>F B</td> <td>5.50</td> <td>BWR B+ (Stable)</td> </tr> <tr> <td>N F B</td> <td>0.25</td> <td>BWR A4</td> </tr> </table> Assigned	F B	5.50	BWR B+ (Stable)	N F B	0.25	BWR A4
F B	5.50	BWR B (Stable) Downgraded Issuer Not Cooperating**																	
N F B	0.25	BWR A4 Reaffirmed Issuer Not Cooperating**																	
F B	5.50	BWR B+ (Stable)																	
N F B	0.25	BWR A4																	
Total			5.75	Rupees Five Crores and Seventy Five Lakhs Only															

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

^Rating migrated to Not Reviewed category on 1 July 2019

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

Astha Rice Mill Pvt. Ltd. **Details of Bank Loan Facilities rated by BWR**

Sl. No.	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)
1.	Cash Credit	5.50	-	5.50
2.	Bank Guarantee	-	0.25	0.25
TOTAL		5.50	0.25	5.75
Total Rupees Five Crores and Seventy Five Lakhs Only.				

Note: As per information available in March 2018



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