

March 13, 2024

Aditya Rice Industries: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash credit	7.30	7.30	[ICRA]BB- (Stable); Withdrawn
Long-term Fund-based – Term loan	0.63	0.63	[ICRA]BB- (Stable); Withdrawn
Long-term – Unallocated	5.07	5.07	[ICRA]BB- (Stable); Withdrawn
Total	13.00	13.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Aditya Rice Industries** at the request of the company and based on the No Objection Certificate (NOC) received from the banker, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position, and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Rice Millers Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile

About the company

ARI was founded in 2010 as a partnership firm and is involved in the milling of paddy and produces raw and boiled rice. The firm started its operations in February 2012. It has a milling unit at Settipalem village, Nalgonda district, Telangana, with an installed capacity of 57,600 MTPA.

Key financial indicators (audited):

	FY2021	FY2022
Operating income	51.1	67.8
PAT	0.3	0.4
OPBDIT/OI	4.9%	3.5%
PAT/OI	0.5%	0.7%
Total outside liabilities/Tangible net worth (times)	1.6	2.4
Total debt/OPBDIT (times)	2.7	4.5

Interest coverage (times)	1.6	2.0
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PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Mar 13, 2024	Feb 24, 2023	Feb 04, 2022	Feb 04, 2021
1 Cash credit	Long-term	7.30	--	[ICRA]BB-(Stable) Withdrawn	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)
2 Term loans	Long-term	0.63	0.56	[ICRA]BB-(Stable) Withdrawn	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)
3 Unallocated	Long-term	5.07	--	[ICRA]BB-(Stable) Withdrawn	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Cash credit	Simple
Long-term Fund-based – Term loan	Simple
Long-term – Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	9.5%	NA	7.30	[ICRA]BB-(Stable); withdrawn
NA	Term loan	FY2021	9.5%	FY2025	0.63	[ICRA]BB-(Stable); withdrawn
NA	Unallocated	NA	NA	NA	5.07	[ICRA]BB-(Stable); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not applicable

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