

Press Release

Sri Laxminarasimha Industries

November 19, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 8.00 Cr.#
Long Term Rating	ACUITE B Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has reviewed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 8.00 crore bank facilities of Sri Laxminarasimha Industries. This rating is now an indicative rating and is based on best available information.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

About the Rated Entity – Key Financials

Not applicable

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 endeavoured 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:

SLI was established by Mr. Arogya Reddy, Mr. Raji Reddy, Mr. Chandrashekhar Rao and others in November 2015. The firm plans to set up an automated ginning and pressing unit with 36 Double Roller Gins at Karimnagar (Telangana). The operations are expected to commence post August, 2016. The total project cost is estimated to be Rs.6.47 crore out of which Rs.3.12 crore is to be funded by partners and the balance through a term loan.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
27th Sep 17	Term Loan	Long term	3.35	ACUITE B (Indicative)
	Cash Credit	Long term	4.50	ACUITE B (Indicative)
	Bank Guarantee	Short Term	0.15	ACUITE A4 (Indicative)
24th Jun 16	Term Loan	Long term	3.35	ACUITE B/Stable (Assigned)
	Cash Credit	Long term	4.50	ACUITE B/Stable (Assigned)
	Bank Guarantee	Short Term	0.15	ACUITE A4 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.35	ACUITE B Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.15	ACUITE A4 Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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