

Press Release

Sungrace Energy Solutions Private Limited

March 10, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	6.50	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	11.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE B+' (read as ACUITE B plus) and the short-term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs.11 Cr. bank facilities of Sungrace Energy Solutions Private Limited (SESPL). The rating is now being flagged as 'Issuer Not Cooperating' based on the best available information.

About the Company

Incorporated in 1999, SESPL is into manufacturing of wide range of solar products such as solar PV modules, solar lanterns, solar street lights, solar water pumps and a host of other customized solar products. The manufacturing unit of the company is located in Hyderabad, Telangana with an installed capacity to manufacture 50 MW solar panels per annum. SESPL is promoted by Mr. Ravi Kumar and Mr. Pavan Kumar along with two other directors, who possess around two decades of experience in the solar business.

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 an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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 has 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.

Rating Sensitivities

No information provided by the issuer/available for Acuité to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer/available for Acuité to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Dec 2020	Secured Overdraft	Long Term	1.00	ACUITE B+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	4.50	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE B+ Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	1.00	ACUITE B+ Stable (Reaffirmed)
27 Dec 2019	Bank Guarantee	Short Term	4.50	ACUITE A4 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	1.00	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE B+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	1.00	ACUITE B+ (Issuer not co-operating*)
22 Oct	Term Loan	Long Term	1.00	ACUITE BB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	1.00	ACUITE BB- Stable (Reaffirmed)

2018	Bank Guarantee	Short Term	4.50	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE BB- Stable (Reaffirmed)
13 Oct 2017	Cash Credit	Long Term	4.50	ACUITE BB- Stable (Assigned)
	Secured Overdraft	Long Term	1.00	ACUITE BB- Stable (Assigned)
	Proposed Cash Credit	Long Term	1.00	ACUITE BB- Stable (Assigned)
	Bank Guarantee	Short Term	4.50	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B+ Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Bhavani sankar Oruganti Senior Analyst-Rating Operations Tel: 022-49294065 bhavanisankar.oruganti@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.