

Press Release

Solar Idea Private Limited

November 22, 2022

Rating Reaffirmed and Issuer not co-operating



| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|---|---|
| Bank Loan Ratings | 1.50 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Bank Loan Ratings | 6.05 | ACUITE B+ Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 7.55 | - | - |
| Total Withdrawn Quantum (Rs.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. 7.55 crore bank facilities of Solar Idea Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

The Telangana based, Solar Idea Private Limited (SIPL) is into Manufacturing of wide range of solar products such as off grid Inverters, Water Heaters, Street Lights, Solar Fencing, Lanterns, Lithium ion Batteries, Street Light Poles, Module Mounting Structures and Electrical Panels. It was established in the year 2014. SIPL is managed by Mr. Sarvotham Reddy & Mr. Srinivas Reddy.

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 unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---|
| 27 Aug 2021 | Bank Guarantee | Short Term | 1.00 | ACUITE A4 (Issuer not co-operating*) |
| | Term Loan | Long Term | 1.05 | ACUITE B+ (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 0.50 | ACUITE A4 (Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.00 | ACUITE B+ (Issuer not co-operating*) |
| 23 Jun 2020 | Letter of Credit | Short Term | 0.50 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 1.05 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 1.00 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.00 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| 09 Apr 2019 | Bank Guarantee | Short Term | 1.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.00 | ACUITE BB- (Issuer not co-operating*) |
| | Term Loan | Long Term | 1.05 | ACUITE BB- (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 0.50 | ACUITE A4+ (Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------|----------------|------------------------------------|------------------|----------------|----------------|------------------|-------------------|---|
| Canara Bank | Not Applicable | Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | Simple | 1.00 | ACUITE A4 Reaffirmed Issuer not co- operating* |
| Canara Bank | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 0.50 | ACUITE A4 Reaffirmed Issuer not co- operating* |
| Canara Bank | Not Applicable | Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | Simple | 5.00 | ACUITE B+ Reaffirmed Issuer not co- operating* |
| Canara Bank | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 1.05 | ACUITE B+ Reaffirmed Issuer not co- operating* |

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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.

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