

Press Release

S.P.R.L. Foods Limited

July 15, 2019

Rating Update



Total Bank Facilities Rated*	Rs.29.00 Cr.#
Long Term Rating	ACUITE BB 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 BB**' (read as **ACUITE Double B**) on the Rs.29.00 crore bank facilities of S.P.R.L. Foods Limited. This rating is now an indicative rating and is based on best available information.

SPRL is an Allahabad-based company incorporated in 2011 by Mr. Shiv Poojan and his family. The company is engaged in the processing and selling of basmati & non-basmati rice, processing of wheat into various products such as flour, semolina, maida among others. The company has two divisions i.e. rice and wheat division, which contribute equally to the total revenue of the company. The manufacturing unit of the company is located in Sahson (Allahabad) with installed capacity of 46,080 tonnes per annum for paddy processing and 54,000 tonnes per annum for wheat processing. The company procures paddy from Allahabad and Jaunpur Mandi (Uttar Pradesh). SPRL mainly sells to traders and commission agents located in Hyderabad, Gujarat and Madhya Pradesh.

About the Group:

The SP group constitutes S. P. Sortex Rice Exports India Private Limited and SPRL Foods Limited established in 2010 and 2011 respectively. The SP group is engaged in processing and selling of basmati & non-basmati rice alongwith processing of wheat. The SP group is promoted by Mr. Shiv Poojan and his family. The group has two manufacturing unit located in Sahson and Naini (Allahabad) with total installed capacity of 74,880 metric tonnes per annum for paddy processing and 54,000 metric tonnes per annum for wheat processing. The group sells its basmati & non-basmati rice under common brand name 'Shivansh' and 'Prayag'.

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.

Analytical approach:

ACUITE has consolidated the business and financial risk profiles of S.P.R.L. Foods Limited (SPRL) and S. P. Sortex Rice Exports India Private Limited (SPS). This is because of strong linkages between the two entities in terms of the same line of business, common management and shareholders. Further, the companies share common brand name alongwith centralized procurement and marketing team. Together, the above companies are referred as 'SP Group'.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Consolidation of companies - <https://www.acuite.in/view-rating-criteria-22.htm>

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 attempts.

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

Not applicable

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
10-May-2018	Cash credit	Long term	4.38	ACUITE BB/ Stable (Assigned)
	Secured overdraft	Long term	18.00	ACUITE BB/ Stable (Assigned)
	Term loan	Long term	1.74	ACUITE BB/ Stable (Assigned)
	Term loan	Long term	4.88	ACUITE BB/ Stable (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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.38	ACUITE BB Issuer not co-operating*
Secured overdraft	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE BB Issuer not co-operating*
Term loan	Not Applicable	Not Applicable	Not Applicable	1.74	ACUITE BB Issuer not co-operating*
Term loan	Not Applicable	Not Applicable	Not Applicable	4.88	ACUITE BB Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Aditya Singh Ratings Analyst - Rating Operations Tel: 011-49731314 aditya.singh@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité 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.

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.*