

**Press Release**  
**S.P.R.L. Foods Limited**

**March 28, 2023**



**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Loan Ratings</b>	29.00	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	29.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE single B plus**) on the Rs. 29.00 crore bank facilities of SPRL Foods Limited (SPRLFL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on best available information.

**About the Company**

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 an 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).

**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 & nonbasmati 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'. The registered office of the SG group is in Allahabad.

**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 non-cooperation 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 Acuité'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). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **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

### **Other Factors affecting Rating**

Not Applicable

### **Key Financials**

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	207.67	203.86
PAT	Rs. Cr.	1.09	0.89
PAT Margin	(%)	0.52	0.44
Total Debt/Tangible Net Worth	Times	2.33	2.52
PBDIT/Interest	Times	1.76	1.76

### **Status of non-cooperation with previous CRA**

Not Applicable

### **Any other information**

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

### **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, Acuité 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](http://www.acuite.in).

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Dec 2021	Term Loan	Long Term	1.74	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.88	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.38	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	18.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
06 Oct 2020	Secured Overdraft	Long Term	18.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.74	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.88	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.38	ACUITE BB- (Downgraded and 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
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.38	ACUITE B+   Reaffirmed   Issuer not co- operating*
Canara Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	18.00	ACUITE B+   Reaffirmed   Issuer not co- operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.74	ACUITE B+   Reaffirmed   Issuer not co- operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.88	ACUITE B+   Reaffirmed   Issuer not co- operating*

## Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:pooja.ghosh@acuite.in">pooja.ghosh@acuite.in</a>  Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:abhishek.s@acuite.in">abhishek.s@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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.

**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. Ratings assigned by Acuité 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. Ratings assigned by Acuité 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](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.