

Press Release

Saravana Stores Gold Palace Private Limited

16 December 2019



Rating Update

Total Bank Facilities Rated*	Rs. 250.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BBB/ Stable) Issuer non-cooperating*

Refer Annexure for details

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

Acuité has downgraded the rating of Saravana Stores Gold Palace Private Limited (SSGPL) to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BBB**' (**read as ACUITE triple B**). The rating downgrade is on account of information risk.

Incorporated in May 2017, SSPL is part of the Chennai-based Saravana Group engaged in retailing of jewellery, textiles, footwear, furniture, household and electronic appliances. The company started its operations in September 2017 in a new multistoried mall spread across 2,30,000 sq feet in Sholinganallur (Chennai). The company is promoted by P.D. Yogarathinam and his family members who have extensive experience in the field of retailing. In addition to the new retail mall, P.D. Yogarathinam and his family members are managing Saravana Stores Gold Palace, a partnership firm engaged in multi brand retailing at 4 stores in Chennai since 2006.

Analytical Approach:

Acuité has consolidated the financial and business risk profile of Saravana Stores Gold Palace Private Limited and Saravana Stores Gold Palace (partnership firm) collectively known as Saravana Group on account of common management, same line of business and financial linkages between the two entities. Saravana Stores Gold Palace has also given corporate guarantee to the loan facilities of Saravana Stores Gold Palace Private Limited. Extent of Consolidation: Full.

Non-cooperation by the issuer/borrower:

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments- <https://www.acuite.in/criteria-fin-ratios.htm>
- Trading Entities- <https://www.acuite.in/view-rating-criteria-61.htm>
- Consolidation - <https://www.acuite.in/criteria-consolidation.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, Acuité 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)

None

Any other information

Acuité 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
09- August-2019	Term Loan	Long Term	50.00	ACUITE BBB Issuer not co-operating*
	Cash Credit	Long Term	130.00	ACUITE BBB Issuer not co-operating*
	Cash Credit-Proposed	Long Term	50.00	ACUITE BBB Issuer not co-operating*
	Proposed Long term facilities	Long Term	20.00	ACUITE BBB Issuer not co-operating*
05- June-2018	Term Loan	Long Term	50.00	ACUITE BBB /Stable (Assigned)
	Cash Credit	Long Term	130.00	ACUITE BBB/ Stable (Assigned)
	Cash Credit-Proposed	Long Term	50.00	ACUITE BBB /Stable (Assigned)
	Proposed Long term facilities	Long Term	20.00	ACUITE BBB /Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE BB(Downgrade Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	130.00	ACUITE BB(Downgrade Issuer not co-operating*
Cash Credit-Proposed	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE BB(Downgrade Issuer not co-operating*
Proposed Long term facilities	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB(Downgrade Issuer not co-operating*

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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.

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