

Press Release

Sri Sainath Industry Private Limited

January 13, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 37.50 Cr.
Long Term Rating	ACUITE BB+ (Downgraded & Issuer not co-operating)*

Refer Annexure for details`

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

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE BBB minus**) to the Rs. Rs.37.50 crore bank facilities of Sri sai nath industry Private Limited. The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on best available information.

Shri Sai Nath Industry Private Limited, incorporated in 2007 is a Raipur based company primarily engaged in trading of agricultural commodities apart from mineral based commodities such as iron ore and coal. The company is promoted by Mr Rajesh Kumar Agarwal and Mr Rohit Agarwal.

SSAIPL, incorporated in 2009, is a Nagpur based company promoted by Mr Rajesh Kumar Agarwal and Mr Rohit Agarwal. The company is engaged in processing of non-basmati paddy with an installed capacity of 8, 84,400 MT.

About the group

SSIPL is part of Sainath Group that consists of SSIPL and SSAIPL. The group promoted by Mr Saurabh Agarwal Mr Rajesh Kumar Agarwal and Mr Rohit Agarwal is engaged in trading and processing of paddy.

Analytical Approach

Acuite has considered the consolidated business and financial risk profiles of SSNAIPL and SSIPL, together known as Sainath Group, to arrive at this rating. The consolidation is on account of common promoters, similar line of business and significant operational linkages in terms of sale and purchases. In FY2017-2018, more than 50 percent of paddy processed by SSNAIPL was sold to SSIPL.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
01-Nov-2018	PC/PCFC*	Long Term	37.50	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. Crore)	Ratings/Outlook
PC/PCFC*	Not Applicable	Not Applicable	Not Applicable	37.50	ACUITE BB+ (Downgraded, Issuer not cooperating)

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

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (erstwhile ACUITE 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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