

## Press Release

### Sowbhagyalakshmi Raw and Boiled Rice Mill

January 18, 2021

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 40.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)

# Refer Annexure for details

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

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**)' on the Rs.40.00 crore bank facilities of Sowbhagya Lakshmi Raw and Boiled Rice Mill. This rating is now an indicative rating and is downgraded on account of information risk.

Sowbhagyalakshmi Raw and Boiled Rice Mill (SRB) established in the year 1988 is engaged in the business of milling, processing and marketing of non-basmati rice. SRB has been promoted by Mr V Gopal Naidu and his family members.

### About Group:

SRB is part of 'Sowbhagya group' which include other firms namely: Sri Sowbhagya Lakshmi Paddy Boiling Industries (SLPB) and Sri Bhagavan Venkaiah Swamy Rice Mill (SBVS) established in the year 1996 and 2001 respectively; both the firms are engaged in processing of paddy into rice and its by-products of broken rice, bran, and husk. All the units of these firms are located in and around Nellore, Andhra Pradesh. On a consolidated basis, the Sowbhagya Group has a milling capacity of around 490 tonnes per day (TPD). The group sells in domestic market under the brands of 'Amrutham', 'Sowbhagya', 'Sowbhagya lakshmi', 'Mahavishnu' and 'Venkaiah Swamy'.

### 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 an 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.

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.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 endeavoured 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.

### Liquidity Indicators

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

### 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."

### 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
19-June-2019	Cash Credit	Long Term	25.00	ACUITE BBB- / Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB- / Stable (Assigned)
	Proposed Cash Credit	Long Term	14.00	ACUITE BBB- / Stable (Assigned)
10-June-2019	Cash Credit	Long Term	25.00	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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)

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

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#### **About Acuité Ratings & Research:**

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