

Press Release

Sri Sowbhagya Lakshmi Paddy Boiling Industries

January 18, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 27.00 Cr. #
Long Term Rating	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

Acuité 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.27.00 crore bank facilities of Sri Sowbhagya Lakshmi Paddy Boiling Industries (SLPB). This rating is now an indicative rating and is downgraded on account of information risk.

Sri Sowbhagya Lakshmi Paddy Boiling Industries (SLPB) established in the year 1996 is engaged in the business of milling, processing and marketing of non-basmati rice. SLPB 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: Sowbhagyalakshmi Raw and Boiled Rice Mill (SRB) and Sri Bhagavan Venkaiah Swamy Rice Mill (SBVS) established in the year 1988 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

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 the due date.

Acuité 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 Acuité'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). 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.

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

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
19-June-2019	Cash Credit	Long Term	20.00	ACUITE BBB- / Stable (Assigned)
	Proposed Cash Credit	Long Term	7.00	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	20.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	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:

Acuité Ratings & Research 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 8,435 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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