



Press Release
Sri Sowbhagya Lakshmi Paddy Boiling Industries
October 10, 2024
Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|--|-------------------|
| Bank Loan Ratings | 27.00 | ACUITE D Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 27.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

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

Rating Rationale

Acuite has reaffirmed the long-term rating of ‘**ACUITE D**’ (read as **ACUITE Do**)n the Rs.27.00 crore bank facilities of Sri Sowbhagya Lakshmi Paddy Boiling Industries (SSLPBI). The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the best available information.

About the Company

Andhra Pradesh-based, Sri Sowbhagya Lakshmi Paddy Boiling Industries (SSLPBI) established in the year 1996 as a partnership firm is engaged in the business of milling, processing and marketing of non-basmati rice. SSLPBI has been promoted by Mr. V Gopal Naidu and his family members.

About the Group

SSLPBI 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’.

Unsupported Rating

Not Applicable

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 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 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 requests.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|--|
| 14 Jul 2023 | Cash Credit | Long Term | 20.00 | ACUITE D (Reaffirmed & Issuer not co-operating*) |
| | Proposed Cash Credit | Long Term | 7.00 | ACUITE D (Reaffirmed & Issuer not co-operating*) |
| 18 Apr 2022 | Cash Credit | Long Term | 20.00 | ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB+) |
| | Proposed Cash Credit | Long Term | 7.00 | ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB+) |
| 18 Jan 2021 | Cash Credit | Long Term | 20.00 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable) |
| | Proposed Cash Credit | Long Term | 7.00 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable) |

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

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|--------------------------|-------------------------|--|
| State Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 20.00 | Simple | ACUITE D Reaffirmed Issuer not co-operating* |
| Not Applicable | Not avl. / Not appl. | Proposed Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 7.00 | Simple | ACUITE D Reaffirmed Issuer not co-operating* |

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

Contacts

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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.

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