

Press Release

SFS Global Limited

September 27, 2022



Rating Upgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	23.00	ACUITE B- Upgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	23.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to **'ACUITE D' (read as ACUITE D)** from **'ACUITE BBB-' (read as ACUITE triple B minus)** on the Rs.23.00 Cr. bank facilities of SFS Global Limited.

Subsequently, Acuite has revised and upgraded the long term rating to **'ACUITE B-' (read as ACUITE B minus)** from **'ACUITE D' (read as ACUITE D)** on the Rs.23.00 Cr. bank facilities of SFS Global Limited.

This rating is now flagged as issuer not cooperating, and rated on account of information risk.

Reason For upgrade

The rating has been upgraded and revised on an account of banker's feedback that irregularities in account has cleared by the end of May 2022 and the account has regularised from the beginning of June 2022.

About the Company

About the Company SFS Global Limited (SFS or The Company) was incorporated in 1995 by Mr. J. K. Saboo & Mr. Ram Prakash Saboo. Company registered in Rohtak the company entered into a long-term contract of 30 years with Tata Global Beverages Limited (TGBL) to provide on lease, its facility at Sampla, Haryana along with various ancillary services related with it. SFS is engaged in blending and packaging of Tea. In 2012, SFS entered into a long-term contract of 10 years (renewable for another two terms of 10 years or part at the option of lessor/lessee) with TATA Consumer Products Ltd (TCPL) to provide its facility on lease. As per the contract SFS would also provide various auxiliary services like receiving the raw material (Raw Tea) at its warehouse, blending of various varieties of tea, packaging, storing, management and releasing the same as when demanded by TCPL.

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. Acuite 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 Acuite'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.

Rating Sensitivity

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	24.89	19.49
PAT	Rs. Cr.	4.51	1.61
PAT Margin	(%)	18.11	8.25
Total Debt/Tangible Net Worth	Times	1.39	1.95
PBDIT/Interest	Times	3.34	2.01

Status of non-cooperation with previous CRA

The entity has been rated as issuer non cooperating from ACUITE RATING AND RESEARCH LIMITED on the bank facilities of Rs.23 crore at ACUITE D.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Jul 2021	Proposed Term Loan	Long Term	0.71	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	19.20	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	3.09	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.71	ACUITE B- Upgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	31-03-2021	7.90	31-03-2031	19.20	ACUITE B- Upgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	31-03-2021	7.50	30-11-2026	3.09	ACUITE B- Upgraded Issuer not co-operating*

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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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