

Press Release

Shreegluco Biotech Private Limited

March 06, 2023



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	160.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	160.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **Acuite double B**) on the Rs.160.00 crore bank facilities of Shreegluco Biotech Private Limited (SBPL). This rating is now an indicative rating and is based on the best information available. The rating has been downgraded on account of information risk.

About the Company

Bangalore-based, ShreeGluko Biotech Pvt Ltd (SGBPL) is promoted by Mr. Srinath Bysani who has a rich experience in trading of corn since 1986. The promoter was involved in the business of procuring corn from farmers and supplying to poultry, cattle and starch industries. In 2012, the company was incorporated with the intent of forward integration in the business and set up a starch & derivatives plant wherein raw material is primarily being corn. In June 2015, the company started construction and was able to setup a plant with a capacity of 600 tons/day capacity grinding and started commercial production in January 2018. The other promoters of the company are Mrs. B.S. Mamatha and Mr. B.S. Adinarayanaguptha. SGBPL's product portfolio include starch, germ, gluten, fiber and enrich fiber, liquid glucose, high maltose syrup and maltodextrin.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 08 consecutive months. 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 noncooperation 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 notcooperating", 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 Sensitivities

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:

The rated entity has not shared the latest financial statements for Acuite to comment.

Status of non-cooperation with previous CRA

Care Ratings vide its Press Release dated 08.06.2022 had downgraded this company to CARE B; INC.

Any other information

Acuite is yet to receive the latest NDS from the rated entity, despite of repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
04 Apr 2022	Working Capital Term Loan	Long Term	6.71	ACUITE BB Stable (Assigned)
	Proposed Bank Facility	Long Term	11.41	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	47.25	ACUITE BB Stable (Assigned)
	Working Capital Term Loan	Long Term	13.43	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	40.48	ACUITE BB Stable (Assigned)
	Working Capital Term Loan	Long Term	13.36	ACUITE BB Stable (Assigned)
	Working Capital Term Loan	Long Term	6.75	ACUITE BB Stable (Assigned)
	Secured Overdraft	Long Term	0.33	ACUITE BB Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.28	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	11.41	ACUITE BB- Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	0.33	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	40.48	ACUITE BB- Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	47.25	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	0.28	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	6.75	ACUITE BB- Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	6.71	ACUITE BB- Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	13.43	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	13.36	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Tanvi Kadam Analyst-Rating Operations Tel: 022-49294065 tanvi.kadam@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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