

PRESS RELEASE

Saurabh Food Products Private Limited

March 2024

Ratings

Instrument/Facilities	Amount (NPR. Mn)	Ratings	Rating Action
Long Term Bank Facilities – Term Loan	303.71	IRN B	Downgraded from IRN B+ and moved to Issuer not cooperating* category with notice of withdrawal
Short Term Bank Facilities- Funded Facilities	1,050.00	IRN A4	Reaffirm and move to Issuer not cooperating *with notice of withdrawal
Short Term Bank Facilities- Non-Funded Facilities	860.00	IRN A4	Reaffirm and move to Issuer not cooperating* with notice of withdrawal
Short Term Bank Facilities- Non-Funded Facilities (Proposed)	0.74	IRN A4	Reaffirm and move to Issuer not cooperating* with notice of withdrawal
Total	2,214.45		

* Issuer did not cooperate, based on best available information

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has downgraded the long term rating to IRN B 'INC' (Single B, Issuer Not Cooperating) from IRN B+ (Single B Plus) to the long term bank facilities of NPR 303.71 Mn and reaffirmed the short term rating to IRN A4 'INC' (A Four, Issuer Not Cooperating) to the short term bank facilities of NPR 1,910.74 Mn and moved to Issuer Not Cooperating category with notice of withdrawal.

Detailed Rationale

The revision in the rating assigned to the bank facilities of Saurabh Food Products Private Limited is because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. Infomerics Nepal assesses whether the information available about the company is commensurate with its rating and reviews the same as per the policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-Cooperation by Issuer

Infomerics Nepal has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated 2024/01/29, 2024/02/29, and 2024/03/11 and concurrently over several phone calls. However, despite repeated requests by Infomerics Nepal, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBON guidelines, Infomerics Nepal has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to NPR 2,214.45 Mn of Saurabh Food Products Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics Nepal and the long-term rating/short term rating will be noted as IRN B/A4 'INC'; Based on best available information (Single B/A Four, Issuer Not Cooperating).

Analytical Approach: Standalone

Applicable Criteria:

[Corporate Credit Rating Methodology](#)
[Withdrawal Policy](#)

Past Rating Rationale:

[Saurabh Food Products Private Limited: Bank Facilities Ratings Assigned](#)

About the Company:

Saurabh Food Products Pvt. Ltd. (SFPP) was incorporated on May 20, 1999 as a private limited company. SFPP is engaged in processing of paddy into rice, value addition by ageing of purchased rice, trading of lentils, trading of soya chunks, production of mustard oil and mustard cake. Its plant is located in Chhata Pipra-03, Bara, Nepal. Equipped with rice mill machinery from SATAKE, Japan, with a processing capacity of 42,000 MTPA, along with steaming and drying facility for production of Basmati Rice and Par-Boiled Rice, the facility also has a machine that performs 'magic-sorting'. It is also into production of Mustard Oil, with a crushing capacity of 14,000 MTPA. SFPP deals its products under single viz. Gyan through its 15 different branches

Analyst Contacts**Mr. Girish Bhatta**

Tel No.+977-1-4583304/4585906
girish.bhatta@infomericsnepal.com

Mr. Raunak Mulmi

Tel No.+977-1-4583304/4585906
raunak.mulmi@infomericsnepal.com

Relationship Contact**Mr. Rabin Pudasaini**

Tel No.+977-1-4583304/4585906
rabin.pudasaini@infomericsnepal.com

About Infomerics Credit Rating Nepal Limited:

Infomerics Credit Rating Nepal Ltd. is Nepal's third Credit Rating Agency licensed by the Securities Board of Nepal (SEBON) on March, 2022. Infomerics Nepal is a subsidiary of Infomerics Valuation and Rating Private Limited (Infomerics India) which is a SEBI registered and RBI accredited Credit Rating Agency licensed in 2015. Infomerics Nepal aims to provide investors with objective analysis and evaluation of credit worthiness of Banks, NBFCs, Large Corporates and Small and Medium Scale Units (SMUS) via its rating and grading services. Thus, it is playing a key role in serving the financial markets by reducing the information asymmetry among varied lenders and investors and facilitating borrowers/issuers to various fundraising opportunities/avenues. Infomerics observes and maintains ethical standards in its activities. For more information, visit <https://infomericsnepal.com/>

Infomerics Credit Rating Nepal Limited

Tanka Prasad Marga, Baneshwor Height, Kathmandu
Phone: +977-1-4583304/4585906
Email: info@infomericsnepal.com
Web: www.infomericsnepal.com

Disclaimer: Ratings assigned by Infomerics Nepal are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics Nepal reserves the right to change, suspend or withdraw the credit ratings at any point in time. Ratings assigned by Infomerics Nepal are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank



Infomerics Credit Rating Nepal Limited

facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics Nepal is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.