

Saraswati Trading Company

October 25, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	4.50	CARE B-; ISSUER NOT COOPERATING* (Single B Minus ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; (Single B)
Long Term / Short Term Bank Facilities	1.50	CARE B- / CARE A4; ISSUER NOT COOPERATING* (Single B Minus / A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B / CARE A4; (Single B / A Four)
Total Facilities	6.00 (Rs. Six Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated October 16, 2020, placed the rating(s) of Saraswati Trading Company (STC) under the 'issuer non-cooperating' category as STC had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. STC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 01, 2021, September 11, 2021, September 21, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

Please refer to PR dated [October 16, 2020](#)

Analytical approach: Standalone

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the firm

Karnal-based STC was initially established as a proprietorship concern by Mr. Rajesh Khanna in April 1992, and started its commercial production in September 1992. The constitution was further changed to partnership in September, 2010 and other members of the Khanna family joined as the partners in the firm. The firm is engaged in the trading and processing of rice. The firm procures raw materials (paddy) from the local market through commission agents and the final products are sold in the domestic as well as overseas market

Brief financials of STC are tabulated below:

Brief Financials (Rs. crore)	FY14 (A)	FY15 (A)
Total operating income	16.00	13.67
PBILDT	0.34	0.49
PAT	0.02	0.03
Overall gearing (times)	1.97	2.58
Interest coverage (times)	3.27	1.91

A: Audited

Status of non-cooperation with previous CRA: Brickwork has put ratings assigned to the bank facilities of STC in to 'Non-Cooperation' vide press release dated October 28, 2020 on account of non-cooperation by STC with Brickwork Ratings' efforts to undertake a review of the ratings outstanding.

Any other information: Not Applicable

Disclosure of Interest of Independent/Non-Executive Directors of CARE: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this firm: Please refer Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	4.50	CARE B-; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	1.50	CARE B- / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Cash Credit	LT	4.50	CARE B-; ISSUER NOT COOPERATING*	-	1)CARE B; ISSUER NOT COOPERATING* (16-Oct-20)	1)CARE B+; ISSUER NOT COOPERATING* (03-Oct-19)	1)CARE B+; ISSUER NOT COOPERATING* (09-Jul-18)
2	Fund-based - LT/ ST-CC/Packing Credit	LT/ST	1.50	CARE B- / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE B / CARE A4; ISSUER NOT COOPERATING* (16-Oct-20)	1)CARE B+ / CARE A4; ISSUER NOT COOPERATING* (03-Oct-19)	1)CARE B+ / CARE A4; ISSUER NOT COOPERATING* (09-Jul-18)

*Issuer did not cooperate; based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities – Not applicable

Annexure 4: Complexity level of various instruments rated for this firm

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT/ ST-CC/Packing Credit	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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