

July 31, 2023

Srinivasa Farms Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based – Cash Credit	65.60	65.60	[ICRA]BB+ (Stable); Withdrawn
Long-term – Fund based – Term Loan	12.84	12.84	[ICRA]BB+ (Stable); Withdrawn
Long Term / Short Term – Unallocated limits	21.56	21.56	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
Total	100.00	100.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Srinivasa Farms Private Limited, at the request of the company and based on the No Objection email received from the bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of SFPL, along with its subsidiary company, SHFPPL, given the close business, financial and managerial linkages between the entities.

About the company

Incorporated in 1983, SFPL is a part of the SH Group, which is an integrated poultry player in the domestic market with presence in poultry feed, soya processing, broiler and layer segments. SFPL entered into an exclusive pan-India franchise agreement with Hyline International (Hy-Line W-80) for distribution of layer chicks. The company has also diversified into value-added segments such as processed chicken, liquid egg, etc. SHFPPL was formed to set up an MFP on the demand driven hub-and-spoke model with backward and forward linkages to create a sustainable poultry value chain. The MFP is being set up at Gangavaram village, Prakasam district, Andhra Pradesh on a total area of 53.74 acres and is expected to commence operations in FY2023.

Key financial indicators (audited)

Consolidated	FY2021	FY2022
Operating income	636.5	928.6
PAT	-31.1	-75.0
OPBDIT/OI	-3.3%	-6.6%
PAT/OI	-4.9%	-8.1%
Total outside liabilities/Tangible net worth (times)	2.0	3.4
Total debt/OPBDIT (times)	(6.4)	(2.3)
Interest coverage (times)	(1.9)	(5.1)

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years		
		Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				July 31, 2023	April 22, 2022	July 29, 2021	Dec 09, 2020
1 Cash Credit	Long term	65.60	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BBB- (Negative)	[ICRA]BBB (Negative)
2 Term Loan	Long term	12.84	NA*	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BBB- (Negative)	[ICRA]BBB (Negative)
3 Unallocated limits	Long term and short term	21.56	-	[ICRA]BB+ (Stable)/[ICRA]A4+; Withdrawn	[ICRA]BB+ (Stable)/[ICRA]A4+	[ICRA]BBB- (Negative)/[ICRA]A3	[ICRA]BBB (Negative)/[ICRA]A3+

*Current outstanding amount of term loan is not available

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund based – Cash Credit	Simple
Long-term – Fund based – Term Loan	Simple
Long Term / Short Term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](https://www.icra.in)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Fund based – Cash Credit	-	-	-	65.60	[ICRA]BB+ (Stable); withdrawn
NA	Long-term – Fund based – Term Loan	FY2018-FY2020	-	FY2023-FY2026	12.84	[ICRA]BB+ (Stable); withdrawn
NA	Long Term / Short Term – Unallocated limits	-	-	-	21.56	[ICRA]BB+ (Stable)/[ICRA]A4+; withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
SH Food Processing Private Limited	51%	Full Consolidation

Source: Company Data

ANALYST CONTACTS

Shamsher Dewan
+91 124 4454 5300
shamsherd@icraindia.com

Srikumar K
+91 44 4596 4318
kinjal.shah@icraindia.com

Nithya Debbadi
+91 40 4067 6515
nithya.debbadi@icraindia.com

Etikala Ravi Teja
+91 40 4547 4829
etikala.teja@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



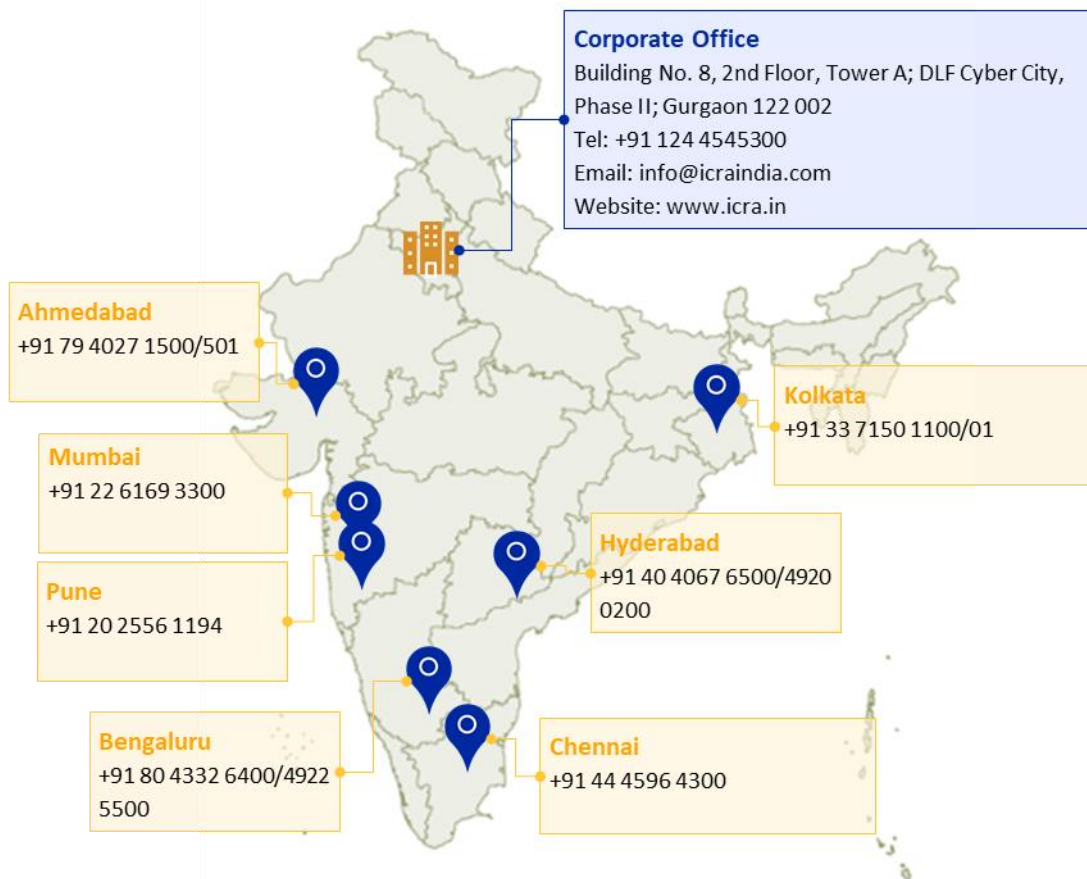
Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.