

December 07, 2023

Sri Lakshmi Venkateswara Hygienic Foods Private Limited: Ratings withdrawn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Long-term – Fund-based – Cash credit	60.00	60.00	[ICRA]BB-(Stable); withdrawn
Long-term – Fund based – Term loan	14.64	14.64	[ICRA]BB-(Stable); withdrawn
Short-term – Non-fund-based – Bank guarantee	8.00	8.00	[ICRA]A4; withdrawn
Total	82.64	82.64	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Sri Lakshmi Venkateswara Hygienic Foods Private Limited** at the request of the company and based on the No Objection Certificate (NOC) received from the banker, 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Rating Drivers, Liquidity Position, and Rating Sensitivities have not been captured as the rated instruments are being withdrawn.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 Rating Methodology for Rice Millers
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 2013 as a private limited company, SLVHFPL is involved in the milling of paddy to produce raw, boiled rice and its by-products. The company is promoted by Mr. S. Srinivasa Reddy and his directors. It has 2 existing rice mills with installed capacity of 10 MT per hour each. Another rice mill with an installed capacity of 12 MT per hour is under construction, which will be operational from the month of January 2023 and the expected additional revenue from the same will be Rs. 60-70 crore p.a. The capacity utilization is 100% throughout the year. There are 15 employees for the administrative office and 100 employees for production on contract basis. The rice mills are located at Balabhadrapuram mandal in East Godavari district (Andhra Pradesh). The company operates 24 hours a day and 330 days in a year.

Key financial indicators (audited):

SLVHFPL	FY2022	FY2023
Operating income	168.0	203.9
PAT	1.3	2.8
OPBDIT/OI	3.1%	4.1%
PAT/OI	0.8%	1.4%
Total outside liabilities/Tangible net worth (times)	3.9	4.8
Total debt/OPBDIT (times)	6.2	7.0
Interest coverage (times)	2.5	2.2

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

SN Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years				
		Amount Rated (Rs. crore)	Amount Outstanding March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
				Dec 07, 2023	Jan 20, 2023	Dec 29, 2022	Sep 30, 2021	Apr 03, 2020
1 Cash credit	Long-term	60.00	-	[ICRA]BB-(Stable) Withdrawn	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB(Stable)
2 Term loan	Long-term	14.64	14.64	[ICRA]BB-(Stable) Withdrawn	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB(Stable)
3 Others	Long-term	-	-	-	-	-	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB(Stable)
4 Unallocated	Long-term	-	-	-	-	-	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB(Stable)
5 Bank guarantee	Short-term	8.00	-	[ICRA]A4 Withdrawn	[ICRA]A4	-	-	-

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Term loan	Simple
Short-term – Non-fund-based – Bank guarantee	Very simple

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](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	9.1%	NA	60.00	[ICRA]BB-(Stable); Withdrawn
NA	Term loan	FY2021	9.1%	FY2030	14.64	[ICRA]BB-(Stable); Withdrawn
NA	Bank guarantee	NA	NA	NA	8.00	[ICRA]A4; Withdrawn

Source: Company

[Please click here to view lender wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Jayanta Roy

+91 33 7150 1120

jayanta@icraindia.com

Priyesh Ruparelia

+91 22 6169 3328

priyesh.ruparelia@icraindia.com

Manish Pathak

+91 124 4545397

manishp@icraindia.com

Aditya Lade

+91 22 6169 3351

aditya.lade@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.