

March 19, 2024

Sri Varun Aqua Enterprises: Continues to remain under issuer non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	5.90	5.90	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Unallocated	1.10	1.10	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Total	7.00	7.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-term rating for the bank facilities of Sri Varun Aqua Enterprises in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Sri Varun Aqua Enterprises, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Sri Varun Aqua Enterprises (SVAE) was established in 2004 and is an Andhra Pradesh-based partnership firm promoted by Mr. K. Srinivas Reddy, Mr. Dwarampudi Ammireddy and Ms. Kovvuri Somireddy. The firm trades in shrimp feed and shrimp feed supplements. The firm buys feed and sells it to shrimp farmers across India. Its key business unit is located in Kakinada city of East Godavari district. In FY2020, on a provisional basis, the company reported a net profit of Rs. 0.4 crore on an operating income of Rs. 31.5 crore compared to a net profit of Rs. 0.5 crore on an operating income of Rs. 36.9 crore in the previous year.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
ACUITE	ACUITE B/ ISSUER NOT COOPERATING	November 24, 2023

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstandi ng (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					19-March-2024	19-January-2023	17-December-2021	22-September- 2020	
1	Cash Credit	Long Term	5.90	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable)	
2	Unallocated	Long Term	1.10	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable)	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Unallocated	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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	5.90	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	1.10	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Sri Varun Aqua Enterprises

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Jayanta Roy

+91 033 7150 1100

jayanta@icraindia.com

Subhechha Banerjee

+91 33 7150 1130

subhechha.banerjee@icraindia.com

Susmita Biswas

+91-033 7150 1182

susmita.biswas@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:

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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



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