

**Sri Vaibhava Lakshmi Enterprises Private Limited**
**JUNE 1, 2021**
**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	44.00 (Enhanced from 31.52)	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Total Facilities	44.00 (Rs. Forty-Four Crore Only)		

*Details of instruments/facilities in Annexure-1*
**Detailed Rationale & Key Rating Drivers**

The revision in the ratings assigned to the bank facilities of Sri Vaibhava Lakshmi Enterprises Private Limited considers delays in the term loan account

**Key rating sensitivities**

Positive rating sensitivities

- Delay free track record for more than 90 days

**Detailed description of the key rating drivers**
**Key Rating Weaknesses**
**Delay in servicing the debt obligation**

There are delays in servicing the debt obligation due to cashflow mismatches.

**Key Rating Strengths**
**Satisfactory track record, experienced and resourceful promoter**

Sri Vaibhava Lakshmi Enterprises Private Limited (SVLEPL) was incorporated in the year 2011 and promoted by Mr. K. Venkatanarayana (Managing Director), Ms. K. Vasanta Sandhya Rani (Director) along with other family members. He has experience of more than a decade in the same line of business. Due to long term presence in the market, the partners have good relationship with suppliers and customers

**Liquidity: Stretched**

The company has stretched liquidity position marked by tightly matched accruals to repayment obligations. The current and quick ratio of the company stood at 1.16x and 0.03x as on 31st March 2020. The company has low cash and bank balances of RS.0.07 crore as on 31st March 2020. The average utilized portion of CC facility stood high at 95% for the last twelve months ended March 31, 2021. Moratorium was availed from March 2020 to August 2020

**Analytical Approach:** Standalone

**Applicable Criteria**

[CARE's Policy on Default Recognition](#)

[CARE's Policy on Curing period](#)

[Rating Criteria – Manufacturing Companies](#)

[Financial ratios –Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

**About the Company**

Sri Vaibhava Lakshmi Enterprises Private Limited (SVLEPL) was incorporated in the year 2011 and promoted by Mr. K. Venkatanarayana (Managing Directors), Ms. K. Vasanta Sandhya Rani (Director) along with other family members. The firm is engaged in farming of egg, laying poultry birds (chickens) and trading of eggs, cull birds and their Manure.

Brief Financials (Rs. crore)	FY19(A)	FY20(A)
Total operating income	49.45	62.50
PBILDT	6.91	7.39
PAT	0.55	0.61
Overall gearing (times)	5.33	4.89
Interest coverage (times)	2.01	1.91

A: Audited

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**Status of non-cooperation with previous CRA:** CRISIL has conducted review on the basis of best available information and has Sri Vaibhava Lakshmi Enterprises Private Limited as “Not Cooperating category” vide its press release dated June 18, 2020

**Any other information:** Not Applicable

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

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2025	21.15	CARE D
Fund-based - LT-Cash Credit	-	-	-	22.85	CARE D

**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-Term Loan	LT	21.15	CARE D	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (17-Mar-21)	1)CARE B+; Stable (23-Mar-20)	1)CARE B+; Stable (14-Jan-19)
2.	Fund-based - LT-Cash Credit	LT	22.85	CARE D	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (17-Mar-21)	1)CARE B+; Stable (23-Mar-20)	1)CARE B+; Stable (14-Jan-19)

**Annexure-3: Detailed explanation of covenants of the rated instrument -Not Applicable**

**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

**Contact us****Media Contact**

Mradul Mishra

Contact no. +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)**Analyst Contact**

P Shanti

Contact no: 040-67937417

Email: [p.shanti@careratings.com](mailto:p.shanti@careratings.com)**Business Development Contact**

Ravi Babu

Contact no: 040-40102030

E-mail: [ravi.babu@careratings.com](mailto:ravi.babu@careratings.com)**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over nearly 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 corporate 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**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the company at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. 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.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**