

Sreelekshmi Cashew Enterprises Private Limited

July 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	30.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB-; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	7.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Sreelekshmi Cashew Enterprises Private Limited (SCEPL) to monitor Ratings vide e-mail communications dated June 27, 2025, July 08, 2025, July 15, 2025, etc., and numerous phone calls. However, despite repeated requests, the entity has not provided the requisite information for monitoring the rating.

In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating basis best available information which, in CareEdge Ratings opinion, is not sufficient to arrive at a fair rating. The rating of SCEPL's bank facilities will now be denoted as **CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING**.

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

The ratings have been revised on account of non-receipt of required information despite repeated requests. The ratings assigned to the bank facilities of Sreelekshmi Cashew Enterprises Private Limited (SCEPL) are continued to be constrained by the modest scale of operations, leveraged capital structure, working capital intensive operations, and presence in a competitive and fragmented industry. The ratings, however, derive strength from the vast experience of the promoters in the related business and established relationship of the company with its suppliers and customers.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings believes that the company will continue to benefit from the experienced promoters to maintain its business risk profile.

Detailed description of key rating drivers:

At the time of previous rating published on June 18, 2024, the following were the key rating drivers, which has been updated with available information.

Key weaknesses

Leveraged capital structure

The capital structure of the company stood leveraged with an overall gearing at 3.19x as on March 31, 2024, and total outside liabilities to net worth (TOL/TNW) at 3.41x as on March 31, 2024. The debt coverage indicators also stood weak marked by interest coverage of 1.22x and Total Debt to GCA (TD/GCA) of 52.40x as on March 31, 2024, owing to lower absolute profits. The financial risk profile of the company is expected to remain weak in the medium term.

Small scale of operations

The company's scale of operations stood modest with Total Operating income (TOI) of ₹72.04 crore in FY24. The TOI increased by 5.98% in FY24 as against the revenue of ₹67.97 crore reported in FY23. The company is engaged in the business of processing raw cashew nuts into cashew kernels and caters to both domestic and export markets. The revenue contribution from exports sales stood at 26% while the balance of 74% was contributed by domestic sales. The PBILDT margin of the company has remained in the range of 5-6% in the past five years and stood at 6.50% in FY24.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Working capital intensive nature of business

The company's operations are highly working capital intensive marked by high inventory period of 213 days and operating cycle of 249 days as on March 31, 2024. The company maintains higher inventory in form of finished goods to sell under favourable prices. The high operating cycle impacts the overall Liquidity profile of the company.

Presence in competitive and fragmented industry

The cashew industry in India is characterized by intense competition and fragmentation, with the presence of a large number of units due to low entry barriers and a liberal policy regime. The company faces intense competition from other small regional players with limited product lines and a marketing network confined to the local market. This limits the pricing power and the resultant profitability of the industry players in a market which is highly price sensitive.

Key strengths

Extensive experience of the company and long track record of operations

The day-to-day operations of SCEPL is managed by Sundaran Prabha, the Managing director along with his wife, Sreela Yesodharan. The directors have an experience of over 30 years in the cashew processing industry, which has helped the company to distribute its product in several states across India and abroad. Currently, the company has 11 processing units spread across Kerala and TN.

Long standing associations with customers and suppliers

The company has been present in both the domestic and export market for the past three decades and over the years has built long relationship with its clients resulting in repeat orders. The company primarily exports to European countries including Netherlands, France, Germany and other middle eastern countries. In the domestic market, the company is involved in direct sales to traders across India, who purchase kernels in bulk quantities.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Sreelekshmi Cashew Enterprises Private Limited (SCEPL) commenced its operation under the name, Sreelekshmi Cashew Company, as a proprietorship concern in 1996, which was later converted into a partnership firm with effect from April 1, 2003, and later into a private limited company in December 2019. The company is managed by Sundaran Prabha and his wife, Sreela Yesodharan and is involved in the processing of plain cashew kernels from RCNs (raw cashew nuts).

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	72.18	67.10	72.04
PBILDT	3.52	2.81	4.68
PAT	0.28	0.27	0.30
Overall gearing (times)	2.53	2.58	3.19
Interest coverage (times)	1.33	1.03	1.22

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

SCEPL has not co-operated with CRISIL Ratings Limited (CRISIL) which has classified it as 'non-cooperative' vide release dated June 24, 2024. The reason provided by CRISIL is non-furnishing of information for monitoring of ratings.

SCEPL has not co-operated with ICRA Limited (ICRA) which has classified it as 'non-cooperative' vide release dated July 25, 2024. The reason provided by ICRA is non-furnishing of information for monitoring of ratings.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits		-	-	-	30.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-FBN / FBP		-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	30.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (18-Jun-24)	-	-
2	Fund-based - ST-FBN / FBP	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (18-Jun-24)	-	-

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

LT/ST: Long term/Short term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Fund-based - ST-FBN / FBP	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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