

## Bala Balaji Srinivasa Poultry Complex (Revised)

March 30, 2022

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	<b>17.97</b> (Reduced from 19.75)	<b>CARE D</b> (Single D)	<b>Revised from CARE B+; Stable</b> (Single B Plus; Outlook: Stable)
Total Facilities	<b>17.97</b> (Rs. Seventeen Crore and Ninety-Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

The revision in rating assigned to the bank facilities of Bala Balaji Srinivasa Poultry Complex (BBSPC) takes into consideration the on-going delays in servicing interest and instalment repayment of term loans.

### Rating Sensitivities

#### Positive Factors

- Delay free track record of 90 days in servicing of debt obligations

### Detailed description of the key rating drivers

#### Key Rating Weaknesses

##### On-going delays in debt servicing

As per verbal feedback from lender, there are on-going delays interest servicing as well as installment payment in Term loan since February 2022 due to liquidity stress as a result of adverse poultry market conditions and varying prices of eggs and other material.

#### Liquidity Analysis: Poor

Liquidity is poor as indicated by ongoing delays in debt servicing do cash flow mismatch from operation as a result of adverse poultry market conditions and varying prices of eggs and other material. Net cash flow from operating activities remained negative at Rs. 0.18 crore during FY21. Working capital cycle remained elongated at 109 days during FY21 due to higher inventory period which was due to its nature of business operations where in the company is required to keep high inventory level of parent bird and raw material stock to feed the birds in different growing stages and to mitigate fluctuation in raw material prices. Further, average utilization of its working capital limit also remained high at 98% for past one year ended February 2022.

**Analytical approach:** Standalone

### Applicable criteria

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

[Rating Outlook and credit watch](#)

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

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

[Rating Methodology-Manufacturing Companies](#)

### About the Company

Bala Balaji Srinivasa Poultry Complex (BBSPC) was established on October 25, 2018 by Dr. G.V.Subramaniam (Managing Partner), Mr. G.V. Subramanyam (Managing Partner) and other family members. The firm started its commercial operations from August 2019 onwards. BBSPC is engaged in farming of egg, laying poultry birds (chickens) and trading of eggs, cull birds and their manure. The firm sells its products such as eggs and cull birds to retailers through own sales personnel and dealers, across the southern and Kolkata region.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	11MFY22 (Prov.)
Total operating income	8.44	34.62	38.00
PBILDT	2.63	4.22	NA
PAT	-0.81	0.14	NA
Overall gearing (times)	3.61	2.83	NA
Interest coverage (times)	2.65	2.02	NA

A: Audited, Prov.: Provisional; NA: Not Available

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Covenants of rated instrument/facility:** Please refer Annexure-3

**Complexity level of various instruments rated for this firm:** Please refer Annexure-4

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

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March-2028	8.72	CARE D
Fund-based - LT-Cash Credit		-	-	-	9.25	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	8.72	CARE D	1)CARE B+; Stable (05-Apr-21)	-	1)CARE B+; Stable (23-Mar-20) 2)CARE B+; Stable (13-May-19)	-
2	Fund-based - LT-Cash Credit	LT	9.25	CARE D	1)CARE B+; Stable (05-Apr-21)	-	1)CARE B+; Stable (23-Mar-20) 2)CARE B+; Stable (13-May-19)	-

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities –** Not applicable

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

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure 5: Bank Lender Details for this company**

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

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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