

## Sri Annapoorna Enterprises

April 23, 2020

**Rating**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	8.50	<b>CARE D; ISSUER NOT COOPERATING*</b> (Single D; Issuer Not Cooperating)	<b>Issuer not cooperating; Revised from CARE B; Stable</b> (Single B; Outlook: Stable) on the basis of best available information
<b>Total Facilities</b>	<b>8.50</b> <b>(Rupees Eight Crore Fifty Lakh Only)</b>		

*Details of facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated March 13, 2019, placed the ratings of Sri Annapoorna Enterprises (SAE) under the 'issuer non-cooperating' category as SAE had failed to provide information for monitoring of the rating. The firm continues to be non-cooperative despite repeated requests for submission of information through e-mail communications from January, 2020 to April 13, 2020 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

**Detailed description of the key rating drivers**

*The rating has been revised on account of delays in debt servicing.*

**Key Rating Weaknesses*****Delays in debt Servicing***

SAE has been facing liquidity issues due to which the firm is unable to service the debt obligation. There are delays in interest servicing in working capital facility.

***Partnership nature of constitution with inherent risk of withdrawal of capital***

Constitution as a partnership has the inherent risk and possibility of withdrawal of capital at a time of personal contingency which can adversely affect the capital structure of the firm.

**Key Rating Strengths*****Experience of the Partners for more than a decade in tobacco business***

Mr. Hari Babu, Managing Partner has more than 10 years of experience in tobacco trading business. His long presence in the industry has helped the firm to establish relationship with customers.

**Analytical Approach:** Standalone

**Applicable criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit ratings](#)

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

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

[Rating Methodology- Wholesale Trading](#)

**About the firm**

Andhra Pradesh based, Sri Annapoorna Enterprises (SAE) was established in the year 2014 as a partnership firm by Mr. Hari Babu & Mrs. Jayasree. The company is engaged in the trading of tobacco. The company purchases tobacco from local farmers and traders, and sells the same to its clients located across Andhra Pradesh.

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

\*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	25.52	26.10
PBILDT	1.08	1.40
PAT	0.27	0.30
Overall gearing (times)	1.48	1.46
Interest coverage (times)	1.50	1.41

**A-Audited**

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

**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-Cash Credit	-	-	-	8.50	CARE D; ISSUER NOT COOPERATING* Revised from CARE B; Stable; Issuer not cooperating

*\*Issuer not cooperating; on the basis of best available information*

**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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	8.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B on the basis of best available information	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (13-Mar-19) 2)CARE B+ (17-Apr-18)	-

*\*Issuer not cooperating; on the basis of best available information*

**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.

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### About CARE Ratings:

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