

## Press Release

S.V.R. Laboratories Private Limited

November 23, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.05	-	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	6.05	ACUITE BB+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	7.10	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.7.10 crore bank facilities of SVR laboratories Private Limited (SVRLPL). This rating is now an indicative rating and is based on the best available information.

### About the Company

S.V.R. Laboratories Private Limited (SVRLPL) is a Visakhapatnam based company incorporated in 2003 which is a part of SVR Group. The company is engaged in the business of manufacturing of bulk drug intermediaries. Promoted by Mr. Nageswara Rao, Mr. K.S Chowdary, and Ms. Naga Durga who have more than three decades of experience in the Pharma industry

### About the Group

SVR Laboratories Private Limited (SVRLPL) is a Hyderabad based company incorporated in the year 2003. It is engaged manufacturing of bulk drug intermediaries. SVR Drugs Private Limited (SVRDPL) is a Visakhapatnam based company incorporated in the year 2010. It is engaged in the business of manufacturing of bulk drug intermediaries and Active Pharmaceutical ingredients (APIs). S.V.R. Laboratories Private Limited (SVRLPL) and SVR Drugs Private Limited (SVRDPL) together referred as SVR Group (SVRG), is promoted by Mr. Nageswara Rao, Mr. K.S Chowdary and Ms. Naga Durga who have more than three decades of experience in the Pharma industry.

### Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit

such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

### Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

### Material Covenants

None

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

### Outlook

Not Applicable

### Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	121.55	153.86
PAT	Rs. Cr.	3.33	3.81
PAT Margin	(%)	2.74	2.47
Total Debt/Tangible Net Worth	Times	0.49	0.57
PBDIT/Interest	Times	4.90	4.40

### Status of non-cooperation with previous CRA

CRISIL, vide its press release dated May 31, 2022 had denoted the rating of SVR laboratories Private Limited as 'CRISIL B; Issuer not cooperating' on account of lack of adequate information required for monitoring of ratings.

ICRA, vide its press release dated October 25, 2022 had denoted the rating of SVR Laboratories Private Limited as 'ICRA B+; Issuer not cooperating' on account of lack of adequate information required for monitoring of ratings

### Any other information

Acuite is not in receipt latest NDS from the rated entity, even after repeated requests and followups. Last NDS was received on June, 2022.

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Sep 2021	Proposed Bank Facility	Long Term	0.05	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	6.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Letter of Credit	Short Term	0.95	ACUITE A4+ (Downgraded from ACUITE A3)
19 Jun 2020	Cash Credit	Long Term	6.00	ACUITE BBB-   Stable (Assigned)
	Proposed Bank Facility	Long Term	0.05	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Short Term	0.95	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	0.10	ACUITE A3 (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	0.10	ACUITE A4+   Reaffirmed   Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE BB+   Reaffirmed   Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.95	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.05	ACUITE BB+   Reaffirmed   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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