

Press Release

Sri Venkatesh Granites Private Limited

November 10, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Bank Loan Ratings	28.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B Plus**) from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) and downgraded the short term rating to '**ACUITE A4+**' (read as **ACUITE A Four Plus**) from '**ACUITE A3**' (read as **ACUITE A Three**) on the Rs.30.00 crore bank facilities of Sri Venkatesh Granites Private Limited (SVGPL). This rating is now an indicative rating and is based on best available information.

The rating has been downgraded on account of information risk.

About the Company

Telangana based Sri Venkatesh Granites Private Limited was established as a partnership firm in the year 2004 and later in 2008 it was reconstituted to a private limited company. The company is engaged in drilling and extracting of rough granite blocks from quarries. The company has 12 quarries spreading across 60 acres of land in and around Karimnagar, Telangana. The company is led by Mr. Venugopal Karwa and family.

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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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 Acuite'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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite 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

None

Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	112.49	98.64
PAT	Rs. Cr.	1.12	0.89
PAT Margin	(%)	1.00	0.90
Total Debt/Tangible Net Worth	Times	2.52	1.47
PBDIT/Interest	Times	4.92	3.07

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Crisil, vide its press release dated October 20, 2022 had denoted the rating to Sri Venkatesh Granites Private Limited (SVGPL) as 'CRISIL BB+ /Stable /CRISIL A4+' (Upgraded)' from 'CRISIL B /Stable /CRISIL A4' (Issuer Not Co-Operating) as the management has subsequently started sharing the information required for carrying out a comprehensive review of the ratings.

Any other information

The entity has not shared the latest NDS (No Default Statement) despite repeated requests.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Sep 2021	Term Loan	Long Term	1.75	ACUITE BBB- (Withdrawn)
	Term Loan	Long Term	0.96	ACUITE BBB- Negative (Reaffirmed)
	Term Loan	Long Term	3.51	ACUITE BBB- Negative (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Working Capital Term Loan	Long Term	3.13	ACUITE BBB- Negative (Reaffirmed)
	Working Capital Term Loan	Long Term	0.60	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB- Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	7.80	ACUITE BBB- Negative (Reaffirmed)
	Packing Credit	Long Term	11.00	ACUITE BBB- Negative (Reaffirmed)
	Bills Discounting	Short Term	1.00	ACUITE A3 (Reaffirmed)
09 Sep 2020	Term Loan	Long Term	1.75	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	3.30	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	1.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.50	ACUITE BBB- Stable (Assigned)
	Bills Discounting	Short Term	1.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	4.60	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.30	ACUITE BBB- Stable (Assigned)
	Proposed Bank Facility	Long Term	2.55	ACUITE BBB- Stable (Assigned)
	Packing Credit	Long Term	11.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE A4+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE A4+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE BB+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	11.00	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	7.80	ACUITE BB+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Oct 1 2017 12:00AM	10.40	Jun 30 2022 12:00AM	Simple	0.96	ACUITE BB+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Jul 1 2019 12:00AM	10.45	May 31 2024 12:00AM	Simple	3.51	ACUITE BB+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Working Capital Term Loan	Aug 1 2020 12:00AM	7.50	Mar 31 2025 12:00AM	Simple	3.13	ACUITE BB+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Working Capital Term Loan	Aug 1 2020 12:00AM	8.00	Apr 30 2022 12:00AM	Simple	0.60	ACUITE BB+ Downgraded Issuer not co-

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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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