



Press Release

SRI VARSHA FOOD PRODUCTS INDIA PRIVATE LIMITED (ERSTWHILE SRI VARSHA FOOD PRODUCTS INDIA LIMITED)

June 13, 2025

Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	94.23	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	14.77	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	109.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs.109.00 Cr. bank facilities of Sri Varsha Food Products India Private Limited (Erstwhile Sri Varsha Food Products India Limited) (SVFPIL). The outlook is 'Stable'.

Rationale for rating

The rating reaffirmation considers augmentation in operating performance albeit moderate financial risk profile. The rating also draws comfort from company's long operational track record and established position of the group in the food industry along with extensive experience of the promoters. However, these strengths are partly offset by working capital intensive operations and susceptibility of profitability to volatility in raw material prices and forex risk in an intensely competitive and highly fragmented industry.

About the Company

Based in Tirupati (Andhra Pradesh) Sri Varsha Food Products India Private Limited (SVFPIL) incorporated in 2008. The company is engaged into processing and packaging of natural fruit concentrates and pulp. The directors include Mr. Viswas Viswanath Kasthuri, Mr. Sivaji Rao Ramineni and Ms. Varsha Viswanath Kasthuri.

About the Group

Varsha Trading company

Based in Tirupati (Andhra Pradesh) Varsha Trading Company (VTC) incorporated in 2021, managed by proprietor of the firm Mrs Varsha (Daughter of K Vishwanth Naidu, promoter and chairman of Varsha group). The firm is engaged in supply of fresh fruits, trading into fruit pulps and concentrates and has a production capacity of 3000 tonnes per annum.

Vakula Traders

Based in Tirupati (Andhra Pradesh) Vakula traders (VT) incorporated in 2023, managed by proprietor of the firm Mrs Varalakshmi (Wife of K Vishwanth Naidu, promoter and chairman of Varsha group). The firm is engaged in processing of fruits, pulps, and concentrates and has a production capacity of 3000 tonnes per annum

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated business and financial risk profiles of the Sri Varsha Food Products India Private Limited

(SVFPIL), VTC (Varsha Trading Company) and Vakula traders (VT) to arrive at this rating. The consolidation is in the view of common management, engaged into similar line of business and central operational, financial and strategic decision making.

Key Rating Drivers

Strengths

Promoters' extensive experience in food processing industry; Established regional player in Andhra Pradesh

The group is promoted by Mr. K. Viswanada Naidu and Mr. V. Pradeep Kumar who has been associated with the group since its inception; this has helped group to establish strong market presence in the state of Andhra Pradesh. Mr.K.Viswanada Naidu (Chairman) looks after the day-to-day operations of the group and is assisted by team of experienced professionals down the line. Mr. Naidu has more than 30 years of experience in multiple businesses and has set up the first highly modernized fruit processing unit in the region. Mr. V. Pradeep Kumar (Technical manager) has more than 15 years of experience in Fruit Processing industry and developed good understanding in Food and Drug Administration (FDA) rules and good manufacturing practice (GMP) in Fruit Processing sector. Acuité believes that group will continue to derive benefits from its promoter's experience, its established presence providing revenue visibility over the medium term.

Augmentation in operating performance

In FY2025(Prov.) the group has reported revenue of Rs. 255.08 Cr. registering the growth of ~17.36 percent as against Rs.217.35 Cr. in FY2024. The improvement in the revenues is majorly on account of an improvement in price realisation albeit dip in overall volume. SVFPIL revenue is moderated in FY2024 due to El Nino effect which has impacted the mango crop. Further SVFPIL has an assured order of Rs. 111.24 Cr. from its regular customers as on date. Acuité believes that SVFPIL will continue to derive benefits from these assured orders providing adequate revenue visibility over the near to medium term. The operating margin of the group improved and stood at 8.09 percent in FY2025 (Prov.) as against 6.43 percent in FY2024 due to improvement in price realization and control in overhead expense. PAT margin of the group is also improved which stood at 2.87 percent in FY2025 (Prov.) as against 1.36 percent in FY2024 albeit increase in finance cost.

Group's flagship product has been mango pulp and concentrate over the years since inception. The management in the last few years has been venturing into various other nonseasonal fruits and vegetables to reduce dependence on seasonal fruit i.e. Mango. SVFPIL's revenue from banana pulp, red papaya concentrates, Tomato pulp, white guava pulp amongst other has shown improvement Year-on-Year (YoY) basis. Acuité believes that the ability of the group to improve its scale of operations along with profitability will going to remain a key monitorable over the medium term.

Weaknesses

Moderate financial risk profile

The group has moderate financial risk profile marked by moderate net worth, gearing and debt protection metrics. The tangible net worth of the group increased to Rs 50.57 Cr. as on March 31, 2025 (Prov.) from Rs 43.49 Cr. as on March 31, 2024 on account of accretion of reserves. The total debt of the group as on March 31, 2025 (Prov.) stood at Rs 92.56 Cr. which consist of long-term borrowings of Rs 8.12 Cr, working capital limit of Rs 69.93 Cr, unsecured loans of Rs 10.02 Cr. and current portion of long term debt of Rs 4.49 Cr. Gearing of the group improved and stood at 1.83 times as on March 31,2025(Prov.) as against 2.25 times as on March 31,2024 on account of improvement in profitability coupled with repayment of long term debt obligations. Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 2.65 times as on March 31,2025(Prov.) as against 3.15 times as on March 31, 2024.

Further, the debt coverage indicators improved as evidenced by Interest Coverage Ratio (ICR) of 2.12 times and Debt service coverage ratio (DSCR) 1.26 times as on March 31, 2025 (Prov.) as against 1.77 times as on March 31, 2024 and 1.22 times respectively on account of improvement in operating margins. Acuité believes that the financial risk profile of the group will improve on account of steady net cash accruals with no major debt funded capex plans.

Working Capital Intensive Operations

The company's operations remained working capital intensive marked by high Gross Current Assets (GCA) of 240 days as on March 31, 2025 (Prov.) as against 277 days as on March 31, 2024 The high GCA days are primarily on account of the inventory holding which stood at 170 days as on March 31, 2025 (Prov.) as against 183 days as on March 31, 2024. Further debtors' days also improved which stood at 49 days as on March 31, 2025 (Prov.) as against 57 days as on March 31, 2024. Whereas creditors days stood at same level i.e. 41 days as on March 31, 2025(Prov.) as against 46 days as on March 31, 2024. The company has almost utilized fund based limit which stood at ~96 percent of its working capital facility for the last twelve months ended March 2025. Acuité believes

that the operations of group will remain working capital intensive on account of nature of the food processing industry model.

Susceptible to volatility in raw material prices, forex and regulatory risks

The food processing and export business is highly fragmented with presence of several small players and dependence on fruits farms for raw material which limits bargaining power. Additionally, the procurement price of fruits depends on the season and availability during a particular period, which exposes group to volatility in product prices. The industry has low entry barriers such as low capital, low technical requirements of the business and liberal policy regime. This has resulted in severe competition and inherently thin profitability margins. Furthermore, as a portion of revenue (~40 percent of revenue in FY25(Prov.) is generated from exports, credit risk profile remains susceptible to volatility in forex rates. However, from FY2025 group have opted for open hedging policy to mitigate the risk to that extend. Besides, group is also exposed to risk arising from regulatory changes and demand pattern in client countries and changes such as levy of antidumping duties by import.

Rating Sensitivities

- Consistent growth in the scale of operations along with improving profitability
- Change in financial risk profile
- Deterioration in working capital cycle

Liquidity Position

Adequate

The group's adequate liquidity position is marked by net cash accruals stood at Rs 9.16 Cr. as on March 31, 2025(Prov.) as against long term debt repayment of Rs 5.26 Cr. over the same period. The current ratio stood comfortable at 1.45 times as on March 31, 2025(Prov.) as against 1.48 times as on March 31, 2024. Whereas the group has almost utilized fund-based limit which stood at ~96 percent of its working capital facility for the last twelve months ended March 2025. Acuité believes the group will maintain adequate liquidity position over the near to medium term backed by adequate net cash accruals as against the expected repayment obligations.

Outlook:

Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	255.08	217.35
PAT	Rs. Cr.	7.31	2.95
PAT Margin	(%)	2.87	1.36
Total Debt/Tangible Net Worth	Times	1.83	2.25
PBDIT/Interest	Times	2.12	1.77

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

None

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>

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
20 Mar 2024	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.77	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	39.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	16.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.13	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.21	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.53	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.84	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.88	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.46	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.15	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.36	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.53	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.37	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.54	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.23	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	9.00	ACUITE BBB- Stable (Assigned)
04 Mar 2024	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.77	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	39.00	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Working Capital Term Loan	Long Term	1.13	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Working Capital Term Loan	Long Term	3.21	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Working Capital Term Loan	Long Term	1.53	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	1.84	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	0.88	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	0.46	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))

	Term Loan	Long Term	0.15	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	1.36	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	0.53	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	2.37	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	3.54	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Proposed Long Term Loan	Long Term	0.23	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
07 Dec 2022	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Cash Credit	Long Term	5.00	ACUITE BBB- Negative (Assigned)
	Term Loan	Long Term	4.17	ACUITE BBB- Negative (Assigned)
	Proposed Long Term Loan	Long Term	0.83	ACUITE BBB- Negative (Assigned)
	Working Capital Term Loan	Long Term	1.01	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Working Capital Term Loan	Long Term	6.26	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Working Capital Term Loan	Long Term	3.50	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Working Capital Term Loan	Long Term	1.67	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	3.31	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	1.45	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	1.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	4.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	0.80	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Cash Credit	Long Term	8.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Cash Credit	Long Term	2.00	ACUITE BBB- Negative (Assigned)
05 Jan	Letter of Credit	Short Term	1.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.80	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.45	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	3.31	ACUITE BBB- Stable (Assigned)
		Long		

2022	Working Capital Term Loan	Term	1.67	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	3.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	6.26	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.01	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.77	Simple	ACUITE A3 Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3 Reaffirmed
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.20	Simple	ACUITE BBB- Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Dec 2026	0.84	Simple	ACUITE BBB- Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 May 2028	1.78	Simple	ACUITE BBB- Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Apr 2029	3.01	Simple	ACUITE BBB- Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	10 Mar 2016	Not avl. / Not appl.	10 Jan 2026	0.84	Simple	ACUITE BBB- Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	11 Jan 2021	Not avl. / Not appl.	10 Dec 2026	0.55	Simple	ACUITE BBB- Stable Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	11 Jan 2021	Not avl. / Not appl.	10 Jan 2026	0.20	Simple	ACUITE BBB- Stable Reaffirmed
Axis Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2026	0.87	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Oct 2026	1.94	Simple	ACUITE BBB- Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr No	Name of the entity
1	Sri Varsha Food Products India Private Limited
2	Varsha Trading company
3	Vakula Traders

Contacts

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