

## Embee Agro Food Industries Private Limited

August 10, 2022

### Ratings

Facilities/Instruments	Amount (Rs crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	20.33	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>20.33</b> <b>(Rs Twenty Crore and Thirty-Three Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 22, 2021, placed the rating(s) of Embee Agro Food Industries Private Limited (EAFIPL) under the 'issuer non-cooperating' category as EAFIPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. EAFIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 08, 2022, May 18, 2022, May 28, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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

Please refer to PR dated [June 22, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Embee Agro Food Industries Private Limited (EAFIPL) was incorporated in 2005 as a private limited company promoted by Mr B. Somashekhar Gowda and other three directors. All the directors belong to same family. EAFIPL erstwhile known as Magnur Syndicate, a partnership firm established in the year 1999 and promoted by Mr B. Somashekhar Gowda and other three partners. Since inception, the company is engaged in rice milling and processing, however, the processing activity closed in August 2012 since pollution control board insisted to close the unit in that location. Therefore, the company entered into trading of paddy and rice. Later, the company purchased a 7 acres land at Karnataka Industrial Area Development Board (KIADB) to set up a processing unit. The main raw material; paddy, is directly procured from local farmers located in and around Davangere and nearby locations during the off season. The major sales of the company are in Karnataka and Maharashtra regions.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	55.76	NA	NA	NA	NA
PBILDT	4.07	NA	NA	NA	NA
PAT	-0.01	NA	NA	NA	NA
Overall gearing (times)	1.78	NA	NA	NA	NA
Interest coverage (times)	1.53	NA	NA	NA	NA

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

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

**Status of non-cooperation with previous CRA:** India Ratings has continued the rating assigned to the bank facilities of EAFIPL into Issuer Not Cooperating category vide press release dated August 12, 2021 on account of its inability to carry out a review in the absence of the requisite information from the company.

**Any other information:** Not Applicable

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

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

**Complexity level of various instruments rated for this company:** 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		-	-	June 2022	10.33	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE B-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on 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) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	10.33	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (22-Jun-21)	1)CARE B-; ISSUER NOT COOPERATING* (05-May-20)	-
2	Fund-based - LT-Cash Credit	LT	10.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (22-Jun-21)	1)CARE B-; ISSUER NOT COOPERATING* (05-May-20)	-

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

**Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

#### Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the 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 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 for any clarifications.

## Contact us

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### About CARE Ratings Limited:

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