

## Shree Veerabhadreshwara Rice Industries

May 13, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.00	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable;

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 14, 2023, placed the rating(s) of Shree Veerabhadreshwara Rice Industries (SVRI) under the 'issuer non-cooperating' category as SVRI 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. SVRI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 28, 2024, March 09, 2024, March 19, 2024.

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).**

The ratings assigned to the bank facilities of SVRI have been revised on account of non-availability of requisite information.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

Please refer to PR dated [April 14, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

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

### About the Firm

Shree Veerabhadreshwara Rice Industries was established in 2015 as a partnership firm and promoted by Mr. S M Veeresh and Ms. Roopa Veeresh (Spouse of S M Veeresh). SVRI is engaged in milling and processing of rice. The rice milling unit of the firm is located at Hanagawadi industrial Area, Harihar Taluk, and Davangere district of Karnataka. Apart from rice processing, the firm is also engaged in selling by-products such as broken rice, husk and bran. The firm started its commercial operations from March 2016. Earlier, the promoter of the firm, Mr. S M Veeresh, was engaged in warehousing business of paddy and other agriculture products. The main raw material, paddy, is directly procured from local farmers located in and around Davangere District and the firm sells rice and other by-products in the open markets of Karnataka.

Brief Financials (Rs. crore)	March 31, 2020(A)	March 31, 2021(Prov.)
Total operating income	15.43	15.07
PBILDT	1.46	1.38
PAT	0.20	0.21
Overall gearing (times)	5.31	5.55
Interest coverage (times)	1.96	1.98

A: Audited; Prov.: Provisional; Note: 'the above results are latest financial results available'

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

**Any other information:** Not Applicable

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

<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

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	6.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	October 2024	1.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	January 2024	1.30	CARE B-; Stable; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	March 2025	0.20	CARE B-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	6.00	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (14-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (10-Mar-22) 2)CARE B+; Stable (14-Jun-21) 3)CARE B; Stable; ISSUER NOT COOPERATING * (30-Apr-21)
2	Term Loan-Long Term	LT	1.50	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (14-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (10-Mar-22) 2)CARE B+; Stable (14-Jun-21)
3	Term Loan-Long Term	LT	1.30	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (14-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (10-Mar-22) 2)CARE B+; Stable (14-Jun-21)
4	Term Loan-Long Term	LT	0.20	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (14-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (10-Mar-22) 2)CARE B+; Stable (14-Jun-21)

\*Issuer did not cooperate; based on best available information.

LT: Long term

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

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings 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](mailto:care@careedge.in) for any clarifications.

**Contact us**

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