

SUNSHINE RICE UNIT

February 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	31.63	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. (CARE Ratings) has been seeking No Default Statement (NDS) from Sunshine Rice Unit (SSRU) to monitor the ratings vide e-mail communications dated, January 05,2026, January 19,2026, January 28,2026, and numerous other mails and phone calls. However, despite our repeated requests, the firm has not provided the no default statement for monitoring the ratings. 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. The rating on Sunshine Rice Unit bank facilities will now be denoted as CARE B+; Stable; ISSUER NOT COOPERATING.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings have been revised on account of the non-availability of requisite information due to non-cooperation by SSRU with CARE Ratings Ltd.'s efforts to undertake a review of the ratings outstanding. CARE Ratings views information availability risk as a key factor in its assessment of credit risk. Further, the ratings are constrained on account of modest scale of operations, leveraged capital structure with weak debt protection metrics and working capital intensive nature of operations. Further, the rating also is constrained owing to high geographical concentration risk in revenue and risk of constitution of the entity as a partnership firm. However, the rating is supported by experienced partners and favourable manufacturing location.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on February 06, 2025, the following were the rating strengths and weaknesses

Key weaknesses

Modest scale of operations:

The total operating income (TOI) of the firm remains modest at Rs. 116.74 crores in FY24 as against Rs. 117.58 crores in FY23. Increase in income from operations can be attributed to increase in orders received. The modest scale limits the firm's financial flexibility in times of stress and deprives it of scale benefits. Further, the firm has achieved sales of Rs. 87.64 crores in 9MFY25(Refers to period April 01,2024 to December 31,2024) and is expected to clock revenue of around Rs. 150 crores in FY25.

Leveraged capital structure with weak debt protection metrics:

As on March 31, 2024, the debt profile of the firm comprises of term loan to the tune of Rs 3.74 crores and working capital borrowings to the tune of Rs 34.78 crores against net worth base of Rs 15.08 crore. The capital structure of the firm stood leveraged marked by overall gearing of 2.58x as on March 31, 2024. Further, the debt coverage indicators of the firm remained weak as marked by interest coverage ratio stood moderate at 0.99x in FY24 and total debt to gross cash accrual of 46.18x as on March 31, 2024. The non-operating income of the firm supported the interest servicing during FY24.

Working capital intensive nature of operations

The operating cycle remains elongated at 156 days for FY24 owing to high inventory days. The firm is required to maintain sufficient stock of rice for processing to off-guard against supply shortages and smooth running of its production processes throughout the year. Further, the firm is also required to maintain an adequate inventory of finished goods to ensure prompt delivery to its customers resulting in an average inventory holding period of around 161 days for FY24. Furthermore, being present in a highly competitive industry, the firm normally extends the credit period of 2 months to its customers. On the other hand, firm procures rice and paddy from local vendors and receives a credit period of around 61 days from the suppliers.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Geographical concentration risk

SSRU is operating from its sole manufacturing plant located at Karnal, Haryana where ~86% of the domestic revenue of the firm is concentrated. Furthermore, ~95% of the revenue came from the domestic market whereas balance from exports. Hence, SSRU is exposed to high geographical concentration risk with the top five states contributing ~95% to its revenue in 9MFY25.

Constitution of the entity as a partnership firm

SSRU is a partnership firm with the inherent risk of the possibility of withdrawal of the partners' capital and the firm being dissolved upon the retirement/ insolvency/ demise of the partner. Also, there exists limited financial flexibility with the nature of the constitution. However, it is observed that the partners are not withdrawing capital and instead infused unsecured loan as quasi equity into the firm.

Key strengths

Location Advantage:

The firm's processing facility is situated in Karnal, Haryana. Its presence in the region gives additional advantage in terms of easy availability of the raw material as well as favourable pricing terms. Moreover, owing to its location it is able to cut on the freight component of incoming raw materials from Northern belt of India.

Experienced Management:

The partners have more than two decades of experience in the rice milling industry. The firm benefits from the partners' understanding of the dynamics of the industry and established relationships with customers. Mr. Praveen Kumar Bansal is the Managing Partner of the entity who holds experience in the rice milling industry for more than 2 decades. Along with the managing partner, the family members are well-equipped with business practices of the rice milling industry.

Liquidity: Stretched

The liquidity of the position of the firm remains stretched marked by tightly matched accruals vis-à-vis repayment obligations. The firm has generated net cash accrual (NCA) of Rs. 0.84 crore during FY24 and is expected to generate NCA of Rs. 1.25 Crore in FY25, against repayment obligation of approx. Rs. 1.11 crore in the same year. The fund-based bank limits of were utilised at 95% during last 12 months ended December 2024. The current ratio remained comfortable at 1.37x, however quick ratio stood moderate at 0.53x as on 31st March,2024

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

SSRU is a partnership concern reconstituted in August 2021, originally incorporated in 2010. Presently Inder Parkash and Parveen Kumar and Aarti Rani and Sajal Bansal are the partners of the firm. Unit is situated at Nadana Road, Taraori Karnal (Haryana) and having a capacity of 5 Mt per hr. Despite being a 14-year-old unit, the partners possess over 50 years of extensive experience in the commodity sector, having previously served as commission agents.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	118.05	116.81	87.64
PBILDT*	5.06	4.80	3.30
Profit after tax (PAT)	0.40	0.40	0.34
Overall gearing (x)	7.56	2.58	-
Interest coverage (x)	1.03	0.99	-

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Brickwork and Acuite Ratings have downgraded and kept the ratings to the bank facilities of Sun Shine Rice Unit in the 'issuer not-cooperating' category vide their press release dated June 19, 2025 and April 10, 2025 on account of their inability to carryout review in the absence of requisite information from the firm.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	28.65	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	October 2027	2.98	CARE B+; Stable; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	2.98	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (06-Feb-25) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (18-Dec-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (29-Nov-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (03-Nov-22)
2	Fund-based - LT-Cash Credit	LT	28.65	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (06-Feb-25) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (18-Dec-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (29-Nov-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (03-Nov-22)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

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

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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