

December 31, 2020

## Sri Srinivasa Rice Mill (Mahendrawada): Rating downgraded based on best available information and Continues to remain in Issuer Not-Cooperating category

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/CC	6.00	6.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable) and Continues to remain in 'Issuer Not Cooperating' category
Long Term - Unallocated	4.00	4.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable) and Continues to remain in 'Issuer Not Cooperating' category
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	

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

*<sup>^</sup>Instrument details are provided in Annexure-1*

### Rationale

The rating downgrade is because of lack of adequate information regarding Sri Srinivasa Rice Mill (Mahendrawada) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Sri Srinivasa Rice Mill (Mahendrawada), ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

### About the company:

Founded in 1978, SSRM is involved in the milling of paddy and produces raw and boiled rice. The rice mill is located at Mahendrawada village, Anaparathi Mandal in East Godavari district of Andhra Pradesh. Its installed production capacity is 30,000 metric tonnes per annum. The firm sold its products under the brand name of Umbrella.

### Key financial indicators:

	FY 2018	FY 2019(Prov)
Operating Income (Rs. crore)	30.6	30.8
PAT (Rs. crore)	0.2	0.2
OPBDIT/OI (%)	2.9%	3.1%
RoCE (%)	11.1%	12.3%
Total Outside Liabilities/Tangible Net Worth (times)	0.2	0.2
Total Debt/OPBDIT (times)	1.0	0.8
Interest Coverage (times)	2.1	2.3
DSCR	1.8	2.0

Source: Sri Srinivasa Rice Mill (Mahendrawada) and ICRA research

### Status of non-cooperation with previous CRA: NA

### Any other information

Not applicable

## Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating		FY2020	FY2019	FY2017
					31-December- 2020	15-June-2020	05-Sep-2019	07-Jun-2018	20-Mar-2017
1	Cash Credit	Long Term	6.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	[ICRA]B+(Stable)
2	Unallocated	Long Term	4.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	[ICRA]B+(Stable)

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	6.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	4.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING

*Source: Sri Srinivasa Rice Mill (Mahendrawada)*

## Analyst Contacts

**Ravichandran K**  
+91 44 4596 4301  
[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Srinivasan R**  
+91 44 4596 4315  
[r.srinivasan@icraindia.com](mailto:r.srinivasan@icraindia.com)

**Nithya Debbadi**  
+91 40 4067 651  
[nithya.debbadi@icraindia.com](mailto:nithya.debbadi@icraindia.com)

**Akshay Dangi**  
+91 4040676528  
[akshay.dangi@icraindia.com](mailto:akshay.dangi@icraindia.com)

## Relationship Contact

**Jayanta Chatterjee**  
+91 80 4332 6401  
[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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