

Press Release

SHREYAS SORTEX INDUSTRIES PRIVATE LIMITED

September 27, 2025

Rating Assigned and Upgraded



Product	Quantum (Rs. Cr)	Long Term Rating	Short T
Bank Loan Ratings	25.00	ACUITE A Stable Assigned	-
Bank Loan Ratings	181.00	ACUITE A Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	206.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to '**ACUITE A**' (read as **ACUITE A**) from '**ACUITE A-**' (read as **ACUITE A minus**) on the Rs.181 Cr. bank facilities of Shreyas Sortex Industries Private Limited (SSIPL). The outlook is '**Stable**'.

Further, Acuite has assigned its long-term rating of '**ACUITE A**' (read as **ACUITE A**) on the Rs.25 Cr. bank facilities of Shreyas Sortex Industries Private Limited (SSIPL). The outlook is '**Stable**'.

Rationale for rating

The rating upgrade considers the significant growth in the revenues during FY25 at stable operating margins, better than Acuite's expectations, driven majorly by the increased demand of basmati rice supported by 20MT of capacity expansion (during September, 2024) and improved distribution channel leading to brand acceptance. Further, the rating continues to factor the healthy financial risk profile and strong liquidity. The working capital, however, remains moderately intensive owing to the practice of maintaining aged inventory for earning higher premiums. Moreover, the business continues to remain susceptible to agro-climatic risk affecting the availability of raw materials and vulnerability of prices due to government regulations.

About the Company

Incorporated in 2015, Shreyas Sortex Industries Private Limited (SSIPL) is a Uttar Pradesh based company engaged in milling and processing of basmati and non-basmati rice. The manufacturing facility of the company is located at Balia in Uttar Pradesh, equipped with an installed capacity of 74 MTPA (increased from 54 MTPA in September, 2024). The company procures rice from various stockists or from mandi, processed and is further sells under its own brands viz. Suhela and Shreyas across various parts of India with highest presence in Northern region followed by Eastern states like Bengal and Assam; Southern and Western region. The company is currently managed by Mr. Vinay Kumar Singh and Mr. Tara Singh.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone financial and business risk profile of SSIPL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced management

The company is promoted by family having rich experience in processing of basmati and non-basmati rice. Their experience has led to improvement in scale of operations year on year and established relations with their suppliers and customers which ensures the continuous growth in the operations of the business.

Growing scale of operations & stable profitability

SSIPL's revenue stood increased at Rs.2306.91 Cr. in FY25 against Rs.1464.11 Cr. in FY24 on account increased demand supported by capacity expansion and improved distribution channel which led to brand acceptance. Furthermore, promoted by increasing demand, volumes and realizations in similar lines; the company has recorded revenue of Rs.502.91 Cr. during Q1FY2026.

Moreover, the EBITDA margin of the company continue to remain sustained at stable levels and stood at 7.46% in FY25 (7.50% in FY24) with major contributor being aged rice (12 months of ageing).

Healthy financial risk profile

The company's financial risk profile is marked by healthy net worth, gearing and debt protection metrics. The tangible net worth of the company improved to Rs.294.49 Cr. as on 31st March, 2025 from Rs.182.37 Cr. as on 31st March, 2024 primarily due to accretion of profits in reserves. This coupled with full repayment of long term debt led to improvement in the gearing to 0.50 times as on 31st March, 2025 (0.86 times as on 31st March, 2024). The debt protection metrics of the company also stood comfortable marked by interest coverage ratio (ICR) at 8.51 times. Going forward the financial risk profile of the company will improve backed by steady accruals no major debt funded capex.

Weaknesses

Moderate working capital operations

The moderate working capital management of the company is marked by gross current assets (GCA) of 83 days as on 31st March, 2025 (121 days as on 31st March, 2024). This is primarily on account of inventory days which are high at 81 days due to ageing of rice. Additionally, more than 99% of the debtors are within 3 months as on 30th June, 2025 as reflected by debtor days which stood at 6 days in FY25 against 10 days in FY24. Going ahead, the working capital operations of the company will remain almost at the same levels as company is charging premiums based on ageing of the inventory.

Fragmented nature of industry and agro climatic risk

The rice industry has an intense competition due to low entry barriers which limits the price fixing of the product. In addition to that, government influences the price of the rice in the market by declaring the MSP (Minimum Support Price) which may affect the profitability of the rice miller. Additionally, the business continues to remain susceptible to agro-climatic risk like erratic rainfall, floods, water scarcity etc. which might affect the paddy yields, leading to raw material shortages for milling and processing.

Rating Sensitivities

- Sustained growth in scale of operations with stable margins.
- Deterioration of financial risk profile due to inadequate cash accruals or debt funded capex.
- Elongation in the working capital operations.

Liquidity Position

Strong

The company has strong liquidity marked by sufficient net cash accruals to its maturing debt obligations. The net cash accruals of the company stood at Rs.116.14 Cr. in FY25, sufficient to repay and prepay the entire debt obligation of Rs.6.99 Cr. during the same period. Going forward, the net cash accruals are expected to be in the range of Rs.135-150 Cr. through FY2026-27 against no major repayment obligations. While bank limit utilisation stood high on month ends, majority of the funds are parked in fixed deposits (~Rs.60 Cr. as on March 31, 2025 and of ~Rs. 40.50 Cr. as on September 30, 2025). Therefore, the net utilization stood at ~58% during the last 6 months ended July, 2025. The company has cash and bank balance of Rs.1.64 Cr. and current ratio stood healthy at 1.80 times as on 31st March, 2025.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	2306.91	1464.11
PAT	Rs. Cr.	111.91	67.86
PAT Margin	(%)	4.85	4.63
Total Debt/Tangible Net Worth	Times	0.50	0.86
PBDIT/Interest	Times	8.51	6.89

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

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
07 Apr 2025	Cash Credit	Long Term	150.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE A- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	6.00	ACUITE A- Stable (Reaffirmed)
08 Aug 2024	Cash Credit	Long Term	150.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	3.53	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	1.15	ACUITE A- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.32	ACUITE A- Stable (Assigned)
17 Mar 2023	Cash Credit	Long Term	50.00	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	16.26	ACUITE Not Applicable (Withdrawn)
	Proposed Cash Credit	Long Term	3.74	ACUITE Not Applicable (Withdrawn)

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.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	175.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A Stable Assigned

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