

Press Release

Sooraj Agro Mills India Private Limited

May 05, 2023



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.00	ACUITE BB Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	5.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	32.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of 'ACUITE BB' (read as ACUITE double B) and short-term rating of 'ACUITE A4+' (read as ACUITE A four plus) on the Rs.32.00 Cr bank facilities of Sooraj Agro Mills (India) Private Limited (SAM IPL).

This rating is now an indicative rating and is based on the best available information.

About the Company

Established as a proprietorship firm in 1995, by Mr. Arumughan Surendran and later it was converted into a private limited company in 2007 in the name of Sooraj Agra Mills (India) Private Limited (SAM IPL). It is engaged in milling and processing of paddy and produces raw, broken and boiled rice. It has a milling facility located in Palakkad- Kerala. The company is having two manufacturing units with an installed capacity of 40 tons per day and 50 tons per day respectively. For captive power use company is planning to set up 500 KW Solar Power generation System with a project cost of Rs.2.51 Cr funded by debt of Rs.1.70 Cr and rest through promoter's funds. The operation of the company is managed by promoters Mr A. Surendran and his wife, Ms. M Sumandahasini.

Non-cooperation by the issuer/borrower

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuité has also been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower

(in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

None

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	76.48	70.07
PAT	Rs. Cr.	1.41	1.07
PAT Margin	(%)	1.84	1.53
Total Debt/Tangible Net Worth	Times	2.16	2.04
PBDIT/Interest	Times	1.95	2.00

Status of non-cooperation with previous CRA

None

Any other information

Acuité is not in receipt of the "No Default Statement (NDS)" since January 2023.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. Acuite'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
11 Apr 2022	Proposed Cash Credit	Long Term	22.00	ACUITE BB Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	3.30	ACUITE BB Stable (Assigned)
	Proposed Term Loan	Long Term	1.70	ACUITE BB Stable (Assigned)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	22.00	ACUITE BB Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	1.70	ACUITE BB Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	3.30	ACUITE BB Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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