



**Press Release**  
**Sooraj Agro Mills India Private Limited**  
**August 01, 2024**

**Rating Downgraded and Issuer not co-operating**

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

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 32.00 Cr. bank facilities of Sooraj Agro Mills India Private Limited on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

**About the Company**

Sooraj Agra Mills India Private Limited was established as a proprietorship firm in 1995, by Mr. Arumughan Surendran and later it was converted into a private limited company in 2007. 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 has two manufacturing units with an installed capacity of 40 tons per day and 50 tons per day respectively. For captive power use, it 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.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower:**

Acuité has 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 Sensitivity**

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

**Liquidity Position**

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

**Outlook**

Not Applicable

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	79.70	76.69
PAT	Rs. Cr.	1.27	1.43
PAT Margin	(%)	1.59	1.86
Total Debt/Tangible Net Worth	Times	2.07	1.83
PBDIT/Interest	Times	1.77	2.01

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- 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>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 May 2023	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Cash Credit	Long Term	22.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Proposed Term Loan	Long Term	1.70	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Proposed Working Capital Term Loan	Long Term	3.30	ACUITE BB (Reaffirmed & Issuer not co-operating*)
11 Apr 2022	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)
	Proposed Cash Credit	Long Term	22.00	ACUITE BB   Stable (Assigned)
	Proposed Long Term Loan	Long Term	1.70	ACUITE BB   Stable (Assigned)
	Proposed Working Capital Term Loan	Long Term	3.30	ACUITE BB   Stable (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 avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A4+ )
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	22.00	ACUITE BB-   Downgraded   Issuer not co-operating* ( from ACUITE BB )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.70	ACUITE BB-   Downgraded   Issuer not co-operating* ( from ACUITE BB )
Not Applicable	Not avl. / Not appl.	Proposed Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.30	ACUITE BB-   Downgraded   Issuer not co-operating* ( from ACUITE BB )

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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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