



Press Release
SURAJ IMPEX INDIA PRIVATE LIMITED
March 12, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	182.80	ACUITE BBB- Negative Reaffirmed Stable to Negative	-
Bank Loan Ratings	67.20	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	250.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B Minus**) and short term rating of ‘**ACUITE A3**’ (read as **ACUITE A three**) on the Rs.250.00 Cr. bank facilities of Suraj Impex India Private Limited (SIPL). The outlook is revised from ‘**Stable**’ to ‘**Negative**’.

Rationale for rating

The outlook revision is on account of lower operating and profitability margins in FY24 as compared to previous year due to global trade disruptions and fluctuations in commodity prices. Further, the rating reaffirmation takes into account the long standing experience of promoters and moderate financial risk profile which is expected to improve over the medium term. Moreover, rating is constrained due to the volatility in the operational income on account of macro-economic factors like demand and price of the traded commodities and moderate working capital levels.

About the Company

Incorporated in the year 1997, Suraj Impex India Private Limited (SIPL) is an Indore based company engaged into the trading of agro commodities like Indian yellow maize, soybean meal, sunflower extract, wheat, soybean seed etc. The company runs two warehouses at Kandla & Tuticorin with a capacity of 150,000 sq. ft each. In FY25, the company has also acquired another land for warehouse in Tuticorin for ~Rs.15 Cr. Further, the company also has a solar plant of 2MW for which it has signed a 25 years power purchase agreement (PPA) with Telangana State Government at a rate of ~Rs.6.75/unit. SIPL is currently managed by Mr. Vinod Kumar Jain and Mr. Praveen Kumar Vyas.

Unsupported Rating

Not Applicable.

Analytical Approach

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

Key Rating Drivers

Strengths

Experience of promoters and established track record of operations

Incorporated in 1997, SIPL is promoted and managed by Vinod Kumar Jain who has an experience of 35 years in the agro industry. The company deals in multiple products including Indian yellow maize, soya bean meal, wheat, sunflower extraction, etc. The company procures the commodities from domestic processors and exports to various countries like Singapore, Vietnam, Iran, France etc. It also imports certain commodities and sells in domestic market to the end users like poultry feed manufacturers. Acuité believes the company shall benefit due to its established clientele and promoter experience over the medium term.

Moderate financial risk profile

The financial risk profile of the company is moderate marked by healthy net-worth and gearing levels with low coverage indicators. The net worth of the company stood at Rs. 232.52 Cr. as on 31st March, 2024 against Rs. 222.43 Cr. in the previous year. The increase in net worth is attributable to healthy accretion to reserves. The total debt of the company stood on lower levels in FY24 at Rs.187.53 Cr. as on 31st March, 2024 against Rs.231.43 Cr. as on 31st March, 2023. The lowering in debt is led by lower long-term borrowings as well as low working capital requirements as compared to the previous year. The gearing level (debt-equity) stood at 0.81 times in FY24 against 1.04 times in FY23. Further due to decline in absolute profitability, the debt protection metrics recorded a significant moderation. The Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) declined to 1.69 times and 1.04 times in FY24 against 3.62 times and 1.98 times in FY23 respectively. Debt-EBITDA ratio moderated to 5.12 times in FY24 against 3.53 times in FY23.

Going ahead, financial risk profile is expected to remain at moderate levels in absence of no major debt funded capital expenditure and expected healthy cash accruals generation.

Weaknesses

Volatile revenues with significant decline in margins

The business of the company is largely driven by demand and pricing trends of the traded commodities. The revenue stood increased at Rs. 1,351.65 Cr. in FY24 against the moderated revenue of Rs.676.37 Cr. in FY23. This increase of revenue is on account of increased exports of soybean meal to Iran during the year; which was earlier restricted by the government due to the geo-political circumstances. Further, the domestic sales of maize also contributed to the increase in top line. Moreover, the demand for soybean meal decreased in the start of oil year 2024-25 (Oct'24-Sep'25) due to global disruptions. Therefore, as on December 31, 2024, the company has recorded revenue of Rs.592.27 Cr. Further, despite the increase in revenue, the operating profitability declined to 2.25 percent in FY24 against 8.77 percent in FY23 on account of price fluctuations in the soybean meal and increase in freight rates due to the Red Sea issue. Also, the PAT margin also stood low at 0.75 percent in FY24 against 5.11 percent in the previous year. Acuité believes that the volatility in revenue and any further moderation in the operating margins shall be a key rating sensitivity.

Moderate working capital operations

The working capital operations are moderate in nature with Gross Current Assets (GCA) of 107 days in FY24 against 213 days in FY23. The decrease in GCA days are led by decline in inventory holding period which stood at 87 days in FY24 against 149 days in FY23. However, the inventory holding generally remain high in this business since the commodities are non-perishable in nature. The average bank limit utilisation for the last 6 months ended January, 2025 stood at ~89%. Going ahead, the working capital operations are expected to remain in the same level depending upon the business operations.

Susceptible to volatility in commodity prices and macro-economic factors

The main product of export is the 'soybean meal' and for domestic market is the 'Indian yellow maize' and the prices of such commodities are linked to agricultural production, which, in turn, is susceptible to monsoon, acreage, and yield. The overall demand scenario from international as well as domestic markets for the agro products and the pricing potential continue to remain a key watch out from the business perspective. Also, agricultural commodities are highly regulated by the government on the basis of domestic demand and inflationary conditions. Thus, these factors directly affect the revenue and profitability of the company.

Rating Sensitivities

Significant volatility in revenues with any further decline in the margins
Deterioration in the financial risk profile due to inadequate cash accruals
Any stretch in working capital cycle days

Liquidity Position

Adequate

The net cash accruals of the company stood at Rs.11.21 Cr. against debt repayment obligation of Rs.10.05 Cr. in FY23. Going forward, the net cash accruals are expected to be in the range of Rs.11.00-18.00 Cr. through FY2025-27 against repayment obligations of Rs.7-9 Cr. Further, given the nature of industry the reliance on working capital limits is moderately high at 89% utilisation levels for last 6 months ending January 2025. The company has cash and bank balance of Rs.0.19 Cr. and current ratio of 1.35 times as on 31st March, 2024.

Outlook: Negative

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1351.65	676.37
PAT	Rs. Cr.	10.09	34.56
PAT Margin	(%)	0.75	5.11
Total Debt/Tangible Net Worth	Times	0.81	1.04
PBDIT/Interest	Times	1.69	3.62

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

Not Applicable.

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
13 Dec 2023	PC/PCFC	Short Term	67.20	ACUITE A3 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.23	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	12.60	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	6.99	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	4.18	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	115.85	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	16.38	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	24.57	ACUITE BBB- Stable (Reaffirmed)
14 Sep 2022	PC/PCFC	Short Term	60.00	ACUITE A3 (Assigned)
	Covid Emergency Line.	Long Term	17.73	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	9.82	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	5.65	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	115.85	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	16.38	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	24.57	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	115.85	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.38	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	06 May 2024	Not avl. / Not appl.	30 Nov 2025	9.00	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	17 Aug 2024	Not avl. / Not appl.	31 Jan 2026	4.58	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Bank of Baroda	Not avl. / Not appl.	Covid Emergency Line.	15 Mar 2024	Not avl. / Not appl.	31 May 2026	3.45	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	67.20	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.97	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Bank of Baroda	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.57	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Dhruvi Chauhan Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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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