

## Soni Soya Products Limited

May 25, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	12.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 27, 2022, has reaffirmed the rating of Soni Soya Products Limited (SSPL) under the 'issuer not-cooperating' category as SSPL had failed to provide information for monitoring of the rating. SSPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 26, 2023, April 27, 2023, May 01, 2023 and May 02, 2023. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

### Analytical approach: Consolidated

Consolidated financials of the company include financials of Soni Soya Products Limited (SSPL) and its subsidiary i.e. Soni Soya Products LLC (SSP) (Holding 51%). SSPL is engaged in trading and processing of organic and non-GMO agricultural products while SSP is engaged in providing warehousing services for US based customers of SSPL. The company has prepared consolidated financials for SSPL for the first time in FY19 including its subsidiary company namely Soni Soya Products LLC (SSP).

### Detailed description of the key rating drivers:

At the time of last rating on April 27, 2022, the following were the rating weakness

#### Key weaknesses

##### Irregularities and over draws in debt servicing as cited vide resignation letter of auditor

As per SSPL's letter to stock exchange, the company had given intimation about the resignation of its statutory auditor wherein the reasons for resignation, as provided by statutory auditor to SSPL, mentions about irregularities and over drawl in loan account with bank and NBFCs owing to its poor liquidity. Further, the company had not paid its major income tax liability for the financial year ended on March 31, 2019 and not paid/short paid its income tax liability, TDS liability and other outstanding for the year ended March 31, 2020 as cited by the statutory auditor. Also, the auditor had stated that with above cited issues and lake of transactions, pending litigations and liquidity crises during the current period created uncertainty into the affairs of the company which might affect the going concern status of the entity as a part of reason for the resignation of statutory auditor from his services. Further, as per audited financials of FY20 auditor has mentioned about irregularities in its loan accounts. During the last rating action done on August 12, 2020, the banker had informed about the moratorium availed by the company for interest payment towards its cash credit facility starting March-2020 till August-2020

#### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Indore based (Madhya Pradesh) Soni Soya Products Limited (SSPL, CIN: L51225MP2014PLC033203) was incorporated by Mr. Dilip Kumar Soni. The company, however, was originally incorporated as "Soni Soya Products Private Limited" on September 17, 2014. Subsequently, the company was converted into Public Limited Company on August 02, 2017 and name changed to Soni Soya Products Limited (SSPL). The company got listed on SME NSE on April 12, 2018. The company is primarily engaged in processing and trading of organic as well as Non-Genetically Modified Organism (non-GMO) and agricultural products such as Soya, Maize, Wheat, and Flax seeds, Mustard Oil, Rice, Pulses, Herb and Spices etc. The company exports its product to Canada, Dubai, South Korea, Sri Lanka and USA. Further, its subsidiary company namely Soni Soya Products LLC was incorporated in June 15, 2018 and is engaged in business of warehousing, selling and marketing of Soya and Soya Products in USA as well as trading and processing of agro products.

### Consolidated:

Brief Financials (₹ crore)*	March 31, 2019 (A)	March 31, 2020 (A)
Total operating income	215.47	179.82
PBILDT	5.09	3.98
PAT	2.08	0.17
Overall gearing (times)	1.21	1.77
Interest coverage (times)	2.66	1.21

A: Audited UA: Unaudited; \*Note: 'the above results are latest financial results available'

### Standalone:

Brief Financials (₹ crore)*	March 31, 2019 (A)	March 31, 2020 (A)
Total operating income	191.32	149.00
PBILDT	4.85	3.96
PAT	1.85	0.19
Overall gearing (times)	1.31	1.76
Interest coverage (times)	2.56	1.22

A: Audited UA: Unaudited; \*Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE D; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	12.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (27-Apr-22)	-	1)CARE D; ISSUER NOT COOPERATING* (24-Feb-21)  2)CARE D (23-Nov-20)  3)CARE BB+ (CW with Negative Implications) (12-Aug-20)

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

\*Long term/Short term.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities- Not Applicable**
**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

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### About us:

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