

**Soni Soya Products Limited**  
 February 24, 2021

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	12.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>12.00</b> <b>(Rs. Twelve Crore Only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE has been seeking information from Soni Soya Products Limited (SSPL) to monitor the rating vide email communications dated October 12, 2020, December 08, 2020, January 12, 2021, January 18, 2021 and February 11, 2021 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which, however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on SSPL's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING\*

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

**Detailed description of the key rating drivers**

At the time of last rating on November 23, 2020, the following were the rating strengths and weaknesses. (Updated for the FY20 (A) financials available on stock exchange)

**Key Rating Weakness****Irregularities and overdraws 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 overdraw 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

**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).

**Applicable criteria**

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

[CARE's policy on Default Recognition](#)

[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings](#)

[Rating Methodology - Consolidation](#)

[Rating Methodology – Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

### About the company

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.

### Soni Soya Products Limited (Consolidated)

Brief Financials (Rs. Crore)	FY19 (A)	FY20 (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

### Soni Soya Products Limited (Standalone)

Brief Financials (Rs. Crore)	FY19 (A)	FY20 (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

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

**Any other information:** Not Applicable

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

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. 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 of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (05-Apr-19)	-	1)CARE BB-; Stable (22-Dec-17)
2.	Fund-based - LT-Cash Credit	LT	12.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (23-Nov-20) 2)CARE BB+ (CWN) (12-Aug-20)	1)CARE BB+; Stable (31-Mar-20) 2)CARE BB+; Stable (05-Apr-19)	-	1)CARE BB-; Stable (22-Dec-17)
3.	Fund-based - ST-Standby Line of Credit	ST	-	-	-	-	-	1)Withdrawn (22-Dec-17)

\*Issuer did not cooperate; Based on best available information

## Annexure-3: Complexity Level of various instruments rated for this company

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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