Suraj Cropsciences Limited

May 07, 2020

Rating

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	17.57	**CARE D; ISSUER NOT COOPERATING*; (Single D; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on best available information
Total Facilities	**17.57 (Rupees Seventeen crore and Fifty Seven lakh only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 06, 2019 placed the ratings of Suraj Cropsciences Limited (SCL) under the 'issuer non-cooperating' category as SCL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. SCL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 08, 2020, April 13, 2020, April 15, 2020 and April 20, 2020. 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.

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

Detailed description of the key rating drivers

At the time of last rating done on February 06, 2019 the following were the rating weaknesses:

Detailed description of key rating drivers

Key Rating Weaknesses

Ongoing delay in debt servicing

SCL was irregular in servicing its debt obligation and there were on-going delays in debt servicing due to weak liquidity position of the company.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer]
[CARE's default recognition policy]
[Criteria on assigning Outlook to Credit Rating]
[Rating Methodology-Manufacturing Companies]
[Financial ratios - Non Financial Sector]

About the Company

Kalol-based (Gujarat) Suraj Cropsciences Limited (SCL), an ISO 9001:2008 certified company, was incorporated as a private limited company during January 2010 which was later on reconstituted as a public limited company in February 2015. SCL is headed by Mr. Shivpratapsingh Kushwaha and it is engaged into the business of developing and processing of varieties of agro-seeds including cereals, fibres, fodder, oil seeds, pulses and vegetables seeds.

The activities involve buying the certified or breeder seeds from the government or other institutions, and selling the same to contract farmers for upgrading the same to foundation seeds, post which these foundation seeds are then repurchased back from the farmers and tested in its own quality check laboratory on various parameters as well as processed for producing final certified, hybrid or research seeds which are stored in the warehouses of state-wise carrying and forwarding agents or sold to its 840 distributors across 12 states of India under the brand name "SURAJ".

The seed processing plant and laboratory is located at Kalol and Prantij in Gujarat with two machines at each location having an installed capacity of 1 ton seeds per hour and other machine with an installed capacity of 4 ton seeds per hour.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best no information available

Total operating income	40.02	50.50
PBILDT	3.38	3.83
PAT	0.70	0.96
Overall gearing (times)	5.56	3.08
Interest coverage (times)	1.53	1.66

A: Audited

Status of non-cooperation with previous CRA: Brickworks has put ratings assigned to the bank facilities of SCL in to 'Non Cooperation' vide press release dated January 29, 2020 on account of non-cooperation by SCL with Brickworks' efforts to undertake a review of the rating outstanding.
ACUITE has suspended ratings assigned to the bank facilities of SCL vide press release dated October 24, 2016 on account of non-cooperation by SCL with ACUITE's efforts to undertake a review of the ratings outstanding.

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	-	-	-	17.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	March, 2019	0.57	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

**Issuer did not co-operate; 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-Cash Credit	LT	17.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (06-Feb-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (15-Nov-17) 2)CARE BB; Stable (02-May-17)
2.	Fund-based - LT-Term Loan	LT	0.57	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (06-Feb-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (15-Nov-17) 2)CARE BB; Stable (02-May-17)

**Issuer did not co-operate; Based on best available information*

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. Investors/market intermediaries/regulators or others are welcome to write to 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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