

THIRU AROORAN SUGARS LIMITED

December 28,2015

**National Stock Exchange of India Ltd
Exchange Plaza
C-1, Block G
Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051**

Dear Sir,

**Sub: SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015 - disclosure of events or information - reg.**

Pursuant to Regulation 30 of the aforesaid Regulations, we wish to inform that the Credit Rating Agency, ICRA Limited has, vide their letter dated December 23,2015 (received by the Company today) revised

- i) the long term rating for the Line of Credit for Rs.331.51 crores (Fund based) sanctioned to the Company from (ICRA)BB (pronounced ICRA double B) with negative outlook to (ICRA)D (pronounced ICRA D); and
- ii) the short term rating for the Line of Credit for Rs.7.67 crores (Non Fund based) sanctioned to the Company from (ICRA)A4 (pronounced ICRA A four) to (ICRA)D (pronounced ICRA D). The revised rating as above has been assigned on December 18,2015

The reason for downgrading as provided by the Credit Rating Agency is furnished in the **Annexure** to this letter.

Thanking you

Yours faithfully
for **THIRU AROORAN SUGARS LTD**


**R R KARTHIKEYN
COMPANY SECRETARY**

Encl : As above



ANNEXURE

Thiru Arooran Sugars Limited

Instrument	Amount	Rating Action
	In Rs. crore	December 2015
Term Loan	101.71	[ICRA]D, revised from [ICRA]BB (negative)
Fund Based Limits	200.30	[ICRA]D, revised from [ICRA]BB (negative)
Proposed Fund Based Limits	29.50	[ICRA]D, revised from [ICRA]BB (negative)
Non Fund Based Limits	7.67	[ICRA]D, revised from [ICRA]A4

ICRA has revised the long term rating to [ICRA]D (pronounced ICRA D) from [ICRA]BB (negative) (pronounced ICRA double B) to Rs.101.71 crore term loans, Rs. 200.30 crore fund based facilities and Rs. 29.50 crore proposed fund based facilities of Thiru Arooran Sugars Limited (TASL)¹. ICRA has also revised the short term rating to [ICRA]D (pronounced ICRA D) from [ICRA]A4 (pronounced ICRA A four) to Rs. 7.67 crore of non fund based facilities of TASL.

The rating revision factors in the delays in the debt servicing by the company on account of losses at operating level and at net level given the high cane cost of production coupled with low sugar realizations. The ratings continue to factor in the weak capital structure and coverage metrics on account of consequent erosion in net worth coupled with relatively high debt. While the sugar realizations are firming up since Sep, 2015, the sustainability of the same is yet to be seen given the surplus domestic and international stock positions. The ratings continue to remain constrained by the vulnerability of sugar operations to agro climatic variations and government policies relating to cane pricing and exports. However, ICRA notes the recent discussions of the company with the lenders which include conversion of fund based limits to non fund based limits, which could ease liquidity pressure on TASL to an extent. The ratings continue to factor in TASL's fully integrated nature of operations with cogeneration and distillery units which provide alternate revenue streams and some cushion against cyclicalities in sugar business. The ratings also take into consideration TASL's experienced management, the dominant position of the company in its command area and proximity of the plants of the company to ports which it has used favorably to export sugar in the recent past.

Company Profile

Thiru Arooran Sugars Limited is one of the oldest sugar companies and was incorporated in 1954. Its sugar plants are based in Cuddalore and Thanjavur districts of Tamil Nadu. It has 8500 TCD of cane crushing capacity in its two plants, and 60 klpd distillery. Its units are also integrated with 47.10 MW cogeneration units of its subsidiary Terra Energy Limited (TASL holds 66.19% stake in Terra Energy Limited), with which it has barter arrangement for supply of steam and power.

Recent Results

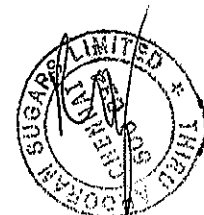
During FY15, TASL has reported operating income of Rs. 267.00 crore and net loss of Rs. 47.22 crore as against operating income of Rs. 193.46 crore and net loss of Rs. 15.96 crore during FY14. During H1 FY16, TASL has reported operating income of Rs. 75.68 crore and net loss of Rs. 37.33 crore as against operating income of Rs. 154.09 crore and net loss of Rs. 14.91 crore during H1 FY15.

During FY15, the consolidated entity has reported operating income of Rs. 540.49 crore and net loss of Rs. 66.52 crore as against operating income of Rs. 485.86 crore and net loss of Rs. 21.16 crore during FY14.

December 2015

¹ 100 lakh = 1 crore = 10 million

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



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December 28,2015

**BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001**

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