

Seya Industries Limited

March 18, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	509.95	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	6.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	515.95 (Rs. Five Hundred Fifteen Core and Ninety-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Seya Industries Limited (SIL) to monitor the rating(s) vide e-mail communications dated March 08, 2021, March 15, 2021 among others 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 rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on Seya Industries Limited's bank facilities will now be denoted as **CARE D/CARE D; ISSUER NOT COOPERATING***.

The ratings take into account the continued delays in servicing of debt obligations. Establishing a track record of timely servicing of debt would be a key rating sensitivity.

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

Detailed description of the key rating drivers

At the time of last rating on January 14, 2020 the following were the rating strengths and weaknesses:

Key Rating Weaknesses

Ongoing delays in debt servicing

The debt servicing of SIL has been irregular in the recent past as indicated by overutilization of its working capital limits for over 30 days and delays in payment of debt servicing obligations towards its term loans.

Time overrun in ongoing capex

SIL has been undertaking the capex for expansion of its manufacturing facilities. The scope of capex was revised in past and project has ran into time overruns.

Liquidity- Poor

Significantly high working capital utilization indicating poor liquidity position for SIL. This has also restrained the ability of SIL to service its debt obligations in a timely manner.

Analytical approach: Standalone

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 available information

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Short-term Instruments](#)
[Financial ratios – Non-Financial Sector](#)
[CARE's Rating Methodology - Manufacturing Companies](#)
[Liquidity analysis of Non- Financial sector companies](#)

About the Company

Incorporated in 1990 as Sriman Organic Chemical Industries Private Limited, Seya Industries Limited (SIL) is engaged in manufacturing of benzene based organic chemicals, viz., mono chloro benzene (MCB), para nitro chloro benzene (PNCB), ortho nitro chloro benzene (ONCB), 3,3 di chlorobenzidine (3,3 DCB), 2,4 di nitro chloro benzene (2,4 DNCB) and para nitro aniline (PNA) and by-products like sulphuric and hydrochloric acid which find application in pharmaceutical, dyes, agrochemical, fertilizer and rubber industries. The manufacturing facility is located at Tarapur, Boisar (Maharashtra).

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

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	9MFY21 (UA)
Total operating income	414.22	258.37	38.42
PBILDT	139.70	67.90	0.78
PAT	88.49	47.02	(83.73)
Overall gearing (times)	0.72	0.79	NA
Interest coverage (times)	7.68	8.57	4.89

A: Audited; UA: Unaudited

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-Term Loan	-	-	-	438.85	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	71.10	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	6.00	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	438.85	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Jan-20) 2)CARE D (15-Oct-19) 3)CARE BBB+; Stable (05-Apr-19)	1)CARE A-; Stable (07-Apr-18)	1)CARE A-; Negative (27-Apr-17)
2.	Fund-based - LT-Cash Credit	LT	71.10	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Jan-20) 2)CARE D (15-Oct-19) 3)CARE BBB+; Stable (05-Apr-19)	1)CARE A-; Stable (07-Apr-18)	1)CARE A-; Negative (27-Apr-17)
3.	Non-fund-based - ST-Letter of credit	ST	6.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Jan-20) 2)CARE D (15-Oct-19) 3)CARE A3+ (05-Apr-19)	1)CARE A2 (07-Apr-18)	1)CARE A2 (27-Apr-17)

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

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not available

Annexure 4: Complexity level of various instruments rated for SIL

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-Letter of 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. 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.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.