

Sethia Oils Limited

July 09, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.50	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable

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 21, 2023, placed the rating(s) of Sethia Oils Limited (SOL) under the 'issuer non-cooperating' category as SOL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SOL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 06, 2024, March 16, 2024, March 26, 2024.

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 rating(s).

The ratings assigned to the bank facilities of SOL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, reported net losses, increase in total debt levels and deteriorated capital structure as well as debt coverage indicators during FY23.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [April 21, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the company

Sethia Oils Limited (SOL), incorporated in 1986, is engaged in the extraction and refining of rice bran oil. The operations of the company began from the year 1989. SOL is promoted by Sethia family. The company has its facilities in Bardhaman, WB, with an installed capacity of 15,000 MT for extraction of rice bran oil and 30,000 MT for refining of crude rice bran oil. The company supplies rice bran oil mainly for reputed brands on order basis, institutional sale and a very small quantity of own brand 'RiceGold'. The de-oiled cake is exported to Vietnam, Thailand etc for cattle feed. Adani Wilmar Ltd is a major customer, contributing to almost 50% of SOL's revenue in FY17-FY18.

The flagship company of the group, Sethia Oil Industries Limited is engaged in the business of refining of rice bran oil, mustard oil, sesame oil etc. The day-to-day affairs of the company are being managed by Mr. Ashok Sethia, with active support from his brother Mr. Alok Sethia, MD. The board of directors of the company consists of 5 members, all belonging to the promoters' family.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	278.44	185.34
PBILDT	7.28	-1.83
PAT	5.10	-2.08
Overall gearing (times)	0.25	0.67
Interest coverage (times)	34.28	NM

A: Audited; NM: Not Meaningful, 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-Bank Guarantee		-	-	-	0.50	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE B; Stable; 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 2024-2025	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
1	Fund-based - LT-Bank Guarantee	LT	0.50	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (21-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (07-Mar-22)
2	Fund-based - LT-Cash Credit	LT	10.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (21-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (07-Mar-22)

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

LT: Long 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-Bank Guarantee	Simple
2	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:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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