

Phatak Solvent Private Limited

March 11, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	30.30	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	1.70	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Phatak Solvent Private Limited (PSPL) to monitor the rating(s) vide latest e-mail communications February 20, 2026, February 16, 2026, February 10, 2026, February 06, 2026, February 04, 2026, January 29, 2026, January 24, 2026, January 21, 2026, January 16, 2026, January 14, 2026 along with 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, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on PSPL's bank facilities will now be denoted as **CARE BB-; Stable; ISSUER NOT COOPERATING/ CARE A4; 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(s).

The ratings assigned to the bank facilities of Phatak Solvent Private Limited (PSPL) remain constrained on account of modest scale of operations with thin profitability margins, leveraged capital structure and modest debt coverage indicators during FY25 (Audited- refers to the period from April 01 to March31). Further, the ratings remained constrained on account of susceptibility of margins owing presence in highly volatile agro-commodity business coupled with highly fragmented and intensely competitive landscape. The ratings, however, derive comfort from the experience of the promoter in the industry and location advantage emanating from proximity to raw materials.

Analytical Approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on April 28, 2025 the following were the rating strengths and weaknesses(updated based on information available from registrar of companies).

Key weaknesses

Modest scale of operations with thin profitability margins

During FY25, PSPL has reported growth of 26.89% in its total operating income (TOI) due to higher receipt of orders and remained modest at Rs. 156.21cr in FY25 as compared to Rs. 123.11cr in FY24. PSPL's profitability margins reduced marginally owing to increased power and fuel costs coupled with selling expenses and remained thin marked by PBILDT margin of 1.60% in FY25 as compared to 2.34% in FY24. The margins remain vulnerable to volatility in soybean prices and the absence of value-added or proprietary products, which limits pricing flexibility. Further, due to high depreciation and interest charges, PAT margin has declined to 0.70% during FY25 as against 1.11% during FY24.

Leveraged capital structure with modest coverage indicators

As on March 31, 2025, the company's capital structure has deteriorated further due to increased debt levels mainly in the form of Unsecured loans and continued to remain leveraged with the overall gearing of 5.37x as against 5.19x as on March 31, 2024. Debt Coverage indicators also deteriorated owing to reduced profitability along with high debt levels and its related interest cost and remained modest. Thus, Total debt/GCA remained high at 16.71 years as on March 31, 2025 as against 11.68 years as on March 31, 2024 and Interest coverage remained below unity during FY25 as against 1.14x during FY24.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Vulnerability of margins owing to presence in the highly volatile agro-commodity business

Soyabean crop availability is influenced by agro-climatic conditions and cropping patterns, making PSPL's margins sensitive to climatic variations, which could affect the overall operations. Additionally, raw material prices are affected by the Minimum Support Price (MSP) and government incentives. If seed prices rise without a corresponding increase in the prices of de-oiled cake and edible crude oil, the company's profitability could be negatively impacted.

Presence in a highly competitive and fragmented industry

The edible oil industry in India is characterized by a high degree of competition, resulting from high fragmentation due to the low entry barriers and low capital intensity of the business. Thus, inherently thin profitability is further exposed to movement in prices of soyabean seed, finished goods (mainly De-Oiled Cake and soya oil), and other substitute oils. The consumption of refined soya oil depends on its price differential with other edible oils. Unfavourable price differential for refined soya oil against refined palm oil over the past few years has led to a gradual increase in the consumption of refined palm oil by the price-sensitive customers.

Key strengths

Experience of the promoters

The promoters bring more than 40 years of experience in agricultural commodities trading, with Mr. Shashikant Phatak being in this industry since 1978. Their understanding of industry dynamics has helped them build relationships with suppliers and customers in the region, which aids them in securing quality raw materials at competitive prices. The promoters plan to apply this expertise in the production of crude oil and de-oiled cake from soybean.

Proximity to raw material sources

PSPL has its operational set up in Osmanabad (in south east Maharashtra). Maharashtra is one of the leading states in the country for cultivation of the soya crop. Owing to its presence in Maharashtra, there is sufficient supply of raw materials, and the company is expected to experience advantages associated with such proximity.

Liquidity: Stretched

The Liquidity of PSPL is stretched as marked by tightly matched cash accruals against its scheduled repayment, negative cash flow from operating activities and low cash and bank balances. Cash flow from operating activities remained negative at Rs. 7.38 crore during FY25 as against Rs. 1.63 crore during FY24. As on March 31, 2025, cash and bank balances remained at Rs. 0.27 crore as against Rs. 2.77 crore as on March 31, 2024. Furthermore, average utilization of fund based limits remained at 90% for past twelve months ended February 2026. Working capital cycle remained at 33 days during FY25 as against 21 days during FY24 due to slightly elongated inventory holding period.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable Criteria:

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)
[Policy on Default Recognition](#)
[Criteria on assigning outlook and credit watch](#)
[Financial Ratios – Non-financial Sector](#)
[Short Term Instruments](#)
[Rating Methodology - Manufacturing Companies](#)
[Liquidity Analysis of Non-Financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Edible Oil

Phatak Solvent Private Limited (PSPL) incorporated in November 2020 (the commercial operations began in FY23), is a familyowned business engaged in production of soya crude oil and soyabean de-oiled cake (DOC) from soyabean seeds. The installed crushing capacity is 72,000 MT p.a. PSPL sells soya crude oil to oil refining companies while sales of soyabean DOC are

made to clients in the livestock feed industry. The promoter, Shashikant Phatak has been in the agro-commodity trading business since 1978.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	123.11	156.21
PBILDT*	2.88	2.50
Profit after tax (PAT)	1.36	1.09
Overall gearing (x)	5.19	5.37
Interest coverage (x)	1.14	0.88

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-03-2030	15.30	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	1.70	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument / Bank Facilities	Type	Current Ratings		Rating History			
			Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	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
1	Fund-based - LT-Term Loan	LT	15.30	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (28-Apr-25)	-	-	-
2	Fund-based - LT-Cash Credit	LT	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (28-Apr-25)	-	-	-
3	Fund-based/Non-fund-based-LT/ST	LT/ST	1.70	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB-; Stable / CARE A4 (28-Apr-25)	-	-	-

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

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

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

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Shachee Vyas Assistant Director CARE Ratings Limited Phone: +91-079-40265665 E-mail: shachee.tripathi@careedge.in</p> <p>Foram Dhruv Joshi Lead Analyst CARE Ratings Limited Phone: 079-40265687 E-mail: foram.dave@careedge.in</p> <p>Krishna Soni Analyst CARE Ratings Limited E-mail: Krishna.soni@careedge.in</p>
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About us:

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