

Seya Industries Limited

March 24, 2022

Ratings

Facilities	Amount (Rs. crore)	Rating 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 Crore and Ninety-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 14, 2020, placed the rating(s) of Seya Industries Limited (SIL) under the 'issuer non-cooperating' category as SIL had failed to provide information for monitoring of the rating. SIL continues to be non-cooperative despite repeated requests for submission of information through phone calls and e-mails dated February 21, 2022, February 11, 2022 and February 01, 2022. 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 ratings.

Detailed description of the key rating drivers

At the time of last rating on March 18, 2021 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

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](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology – Manufacturing companies](#)

[Liquidity analysis of Non-Financial sector entities](#)

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

*Issuer did not cooperate; Based on best available information

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).

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (UA)
Total operating income	258.37	52.35	47.81
PBILDT	67.90	7.52	11.90
PAT	47.02	(109.58)	(0.81)
Overall gearing (times)	0.79	0.95	NA
Interest coverage (times)	8.57	34.18	86.62

A: Audited; UA: Unaudited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Disclosure of Interest of Independent/Non-Executive Directors of CARE Ratings Ltd.: Not applicable

Disclosure of Interest of Managing Director & CEO: 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 for this company: Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	438.85	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Mar-21)	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)
2	Fund-based - LT-Cash Credit	LT	71.10	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Mar-21)	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)
3	Non-fund-based - ST-Letter of credit	ST	6.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Mar-21)	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)

*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 this company

Sr No	Name of 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 Ratings Ltd. 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

Media Contact

Name: Mradul Mishra
Contact no.: +91-22-6754 3573
Email ID: mradul.mishra@careedge.in

Analyst Contact

Group Head Name: Arti Roy
Group Head Contact no.: +91-98192 61115
Group Head Email ID: arti.roy@careedge.in

Relationship Contact

Name: Saikat Roy
Contact no.: +91-98209 98779
Email ID: saikat.roy@careedge.in

About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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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.

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