

May 17, 2024

## Prakash Oils Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term-Non-Fund Based - Others	67.00	67.00	[ICRA]A4;ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	22.00	22.00	[ICRA]B+(Stable);ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>89.00</b>	<b>89.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the Long-Term and Short-term rating for the Bank facilities of Prakash Oils Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable);ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Prakash Oils Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology – Edible Oil</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

### About the company

Prakash Oils Limited was incorporated in the year 1986 and is engaged in the manufacturing and trading of edible oils and De-oiled Cake (DOC). POL has soya oil extraction and refining plant at Pithampur, Indore with an installed processing capacity of 120000 MTPA (metric ton per annum) of solvent extraction, 30000 MTPA of edible oil refining and 45000 MTPA of vanaspati oil refining. Along with manufacturing, the company is also involved in the trading of edible oils and cakes wherein company imports and procures from other domestic manufacturers and sells further to various customers. The promoters of POL have set up 3 three companies i.e. Prakash Oils Limited (POL), Manish Agro Tech Limited and Mann Exports Private Limited (MEPL). All the three companies are in the same line of business and operate under a common management. As per the management, currently they are only operating through MATL and POL, MEPL is non-operational.

## Key financial indicators:

Standalone	FY 2021	FY 2022
Operating Income (Rs. crore)	8.01	6.67
PAT (Rs. crore)	1.17	2.22
OPBDITA/OI (%)	25.82%	48.87%
PAT/OI (%)	14.58%	33.31%
Total Outside Liabilities/Tangible Net Worth (times)	-7.01	-8.92
Total Debt/OPBDITA (times)	19.47	13.04
Interest Coverage (times)	4.93	5.91

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021	
					May 17, 2024	Mar 30, 2023	Jan 21, 2022	Nov 17, 2020	
1	Non-Fund Based - Others	Short Term	67.00	-	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4;ISSUER NOT COOPERATING	
2	Fund Based-Cash Credit	Long Term	22.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Short Term-Non-Fund Based - Others	Very Simple
Long Term-Fund Based-Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Short Term-Non-Fund Based - Others	-	-	-	67.00	[ICRA]A4;ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Cash Credit	-	-	-	22.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Prakash Oils Limited

### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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### Branches



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