

July 01, 2020

Maharashtra Oil Extractions Private Limited: Rating downgraded and rating continues to remain Issuer Non-Cooperating category

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based Limits	30.00	30.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+ (Stable) and continues to remain under 'Issuer Not Cooperating' category
One-off Short-Term Facility	20.00	20.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A2 and continues to remain under 'Issuer Not Cooperating' category
Pledge Loan	125.00	125.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A2 and continues to remain under 'Issuer Not Cooperating' category
Total	175.00	175.00	

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

Rationale

As part of its process and in accordance with its rating agreement with Maharashtra Oil Extractions Private Limited (MOEPL), ICRA has been trying to seek information from the entity so as to monitor its performance. But despite repeated requests by ICRA, the entity's management has remained non-cooperative. Accordingly, ICRA had migrated the entity's rating to the "Issuer Not Cooperating" (INC) category in May 30, 2019. However, because of persistent non-cooperation by the entity with ICRA for a period of over six months, the ratings have now been downgraded to the non-investment grade from the investment grade. The rating action is in accordance with ICRA's policy in respect of non-cooperation by a rated entity, available at www.icra.in. Also, the rating action is in line with the circular issued by the Securities and Exchange Board of India (SEBI) [SEBI/HO/MIRSD/CRADT/CIR/P/2020/2] on January 3, 2020 and the subsequent clarifications from SEBI, in relation to the rating action prescribed for non-cooperating investment grade ratings. The lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Maharashtra Oil Extractions Private Limited (MOEPL) was set up in 1995 at Dhule (Maharashtra) by members of the Maharashtra-based Agrawal and Balesaria families. The company is engaged in extraction and refining of soy oil and soy de oiled cake (DOC). The company currently owns and operates three crushing plants with cumulative capacity of 1,350 tons per day (TPD), i.e. 500 TPD capacity in Dhule, 350 TPD capacity in Nandurbar, and 500 TPD capacity in Gangakhed. In addition, it has refining capacity of 220 TPD at the Dhule plant with two refining lines. The company's wholly-owned

subsidiary, Samruddhi Nutrients India Private Limited, is involved in the export of soy de-oiled cakes and other soy-based value-added products.

Status of non-cooperation with previous CRA: Not Applicable

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	832.54	805.64
PAT (Rs. crore)	7.88	8.57
OPBDITA/ OI (%)	3.5%	3.5%
RoCE (%)	12.0%	13.9%
Total Outside Liabilities/Tangible Net Worth (times)	1.28	0.72
Total Debt/OPBDITA (times)	3.82	1.78
Interest Coverage (times)	3.7	3.7

Source: ACE EQUITY

Any other information: Not Applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					01-Jul-2020	30-May-2019	-	1-Mar-2018
1	Fund Based Limits – Cash Credit	Long Term	30.00	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING	-	[ICRA]BBB+ (Stable)
2	One-off Short-Term Facility	Short Term	20.00	-	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A2 ISSUER NOT COOPERATING	-	[ICRA]A2
3	Pledge Loan	Short Term	125.00	-	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A2 ISSUER NOT COOPERATING	-	[ICRA]A2

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1

Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based Limits – Cash Credit	NA	NA	NA	30.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
NA	One-off Short-Term Facility	NA	NA	NA	20.00	[ICRA]A4+ ISSUER NOT COOPERATING
NA	Pledge Loan	NA	NA	NA	125.00	[ICRA]A4+ ISSUER NOT COOPERATING

Source: Maharashtra Oil Extractions Private Limited (MOEPL)

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