

**Eatage Agro Private Limited<sup>(Revised)</sup>**

December 01, 2021

**Rating**

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	23.52 (Enhanced from 15.00)	CARE D (Single D)	Reaffirmed
<b>Total Bank Facilities</b>	<b>23.52</b> <b>(Rs. Twenty-Three Crore and Fifty-Two Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The rating assigned to the bank facilities of Eatage Agro Private Limited (EAPL) continues to take into account delays in debt servicing of the company triggered by delay in commissioning of plant and disruption in operation post commissioning in view of second wave of the pandemic.

**Rating Sensitivities****Positive Factors - Factors that could lead to positive rating action/upgrade:**

- Default free track record of debt servicing as per CARE's policy.

**Detailed description of the key rating drivers:****Key Rating Weaknesses****Delays in debt servicing**

The repayment of term loan was earlier scheduled to start from June 2020 or after 3 months from the scheduled Date of Commercial Operation (DCCO). However, the bank set a revised project implementation schedule as per which the commercial operation was scheduled to start from May 2021 and repayment of term loan was scheduled to start from June 30, 2021. However, due to second wave of Covid19, EAPL applied for restructuring of the account in June 2021. There were delays in repayment of term loan, pending approval of restructuring.

**Liquidity-Poor:** As the entity has commenced commercial operations from March 2021, it is at nascent stage of operation. Further, the entity has availed term loan from Canara Bank for execution of the project and approached for restructuring for liquidity issues. This apart, the average utilisation of working capital borrowings was around 80% during last four months ended October 2021.

**Analytical approach:** Standalone

**Applicable criteria**

[CARE's Policy on Default Recognition](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Methodology-Manufacturing Companies](#)

**About the Company**

EAPL is incorporated in April 2017 as a Private Limited Company by Mr. Binod Kumar and Ms. Poonam Kumari, reputed business name in Bihar. The company is engaged in milling of flour (Atta) on job-work basis for ITC Ltd. The company has set up a flour milling unit for this purpose with an installed capacity of 300 Tonnes per Day (TPD). The commercial operation of the unit has started from March 2021. EAPL processes flour on job work basis from ITC Limited and is the first such unit in Bihar to Process ITC flour under its renowned brand 'Aashirvaad'. EAPL has signed an MOU with ITC Ltd. on Feb.15, 2018, to process their product.

Mr. Binod Kumar is a renowned businessman in the region having business experience of more than 10 years in the field of biscuit manufacturing, flour Mill, bakery business under different associate entities.

**Brief Financials:** Not applicable.

**Status of non-cooperation with previous CRA:** Not Applicable.

**Any other information:** Not Applicable.

**Rating History of last three years:** Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated facilities is given in Annexure-3

**Complexity level of various instruments rated for this Entity** Annexure-4

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**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		-	-	August 2028	23.52	CARE D

**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	23.52	CARE D	1)CARE D (28-Sep-21)	-	-	-

**Annexure-3: Detailed explanation of covenants of the rated facilities:** Not applicable.

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple

**Annexure 5: Bank Lender Details for this Company**

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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