

Deepak Agro Private Limited

February 16, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	13.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Total Bank Facilities	13.00 (Rs. Thirteen Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated February 12, 2021, placed the rating(s) of Deepak Agro Private Limited (DAPL) under the 'issuer non-cooperating' category as DAPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DAPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 29, 2021, January 08, 2022, January 18, 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 rating(s).

The ratings for DAPL have been revised on account of non-availability of requisite information. The rating also considers a leverage capital structure relative to the small scale of operations and profitability in FY21.

Detailed description of the key rating drivers

Please refer to PR dated [February 12, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Uttar Pradesh based Deepak Agro Private Limited (DAPL) is a company which commenced its operations in March 1994 and is currently being managed by Mr. Mahesh Chandra Agnihotri and Mr. Deepak Agnihotri. DAPL is engaged in processing rice and its byproducts by processing paddy, in its processing unit located in Village Mainpuri, with capacity of manufacturing 20000 quintals of rice monthly. DAPL procures paddy from local grain markets through open market and farmers situated locally. It sells its product in domestic market in nearby regions namely Kanpur, Delhi, Agra, Lucknow etc. It exports basmati rice in countries like Japan, Nepal, Bhutan etc. through an exporter based in Gujarat. Total export constitutes ~75% of total sales. Also, the company has two group concerns namely Shri Raghunath Roller Flour Mill and Ankur Herbal Products. Shri Raghunath Roller Flour Mill is engaged in rice processing and Ankur Herbal Products is engaged in manufacturing herbal products to cater to customers like Patanjali etc.

Brief Financials (Rs. crore)	FY20(A)	FY21(A)	9MFY22(Prov.)
Total operating income	46.16	42.00	NA
PBILD	2.15	2.33	NA
PAT	0.06	0.17	NA
Overall gearing (times)	4.86	5.96	NA
Interest coverage (times)	1.40	1.34	NA

A: Audited; Prov.; Provisional; NA: Not Available

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

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Brickwork has continued the ratings assigned to the bank facilities of DAPL into 'Issuer not-cooperating' category vide press release dated April 05, 2021 on account of non-availability of requisite information from the company.

Acuite (SMERA) has continued the ratings assigned to the bank facilities of DAPL into 'Issuer not-cooperating' category vide press release dated November 01, 2021 on account of non-availability of requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Please refer Annexure-3

Complexity level of various instruments rated for this trust: Please refer 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-Cash Credit		-	-	-	13.00	CARE B-; Stable; 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-Cash Credit	LT	13.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (12-Feb-21)	1)CARE BB-; Stable (11-Feb-20)	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / 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-Cash Credit	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@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

Name - Shachee Nakul Vyas
Contact no.- +91-79-4026 5665
Email ID: shachee.tripathi@careedge.in

Relationship Contact

Name -Swati Agrawal
Contact no. -9811745677
Email ID: swati.agrawal@careedge.in

About CARE Ratings:

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.

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