

## Diya Hygiene Flours Private Limited

October 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

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

### Rationale & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Diya Hygiene Flours Private Limited (DHFPL) to monitor the rating vide e-mail communications dated August 04, 2025, August 07, 2025, August 12, 2025, August 19, 2025, August 26, 2025, September 10, 2025, September 19, 2025, September 22, 2025 and October 03, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on DHFPL's bank facilities will now be denoted as '**CARE B+; Stable; ISSUER NOT COOPERATING**'.

**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 rating assigned to the bank facilities of DHFPL are constrained owing to the small scale of operation with thin profitability margins, moderate capital structure with weak debt coverage indicators during FY25 (Provisional refers to the period April 01 to March 31). Further, the rating continues to remain constrained due to its presence in fragmented, competitive and regulated nature of industry along with volatile agro commodity prices with linkages to vagaries of nature for raw material availability. The ratings, however, continues to derive strength from the experience of promoters and locational advantage.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

At the time of last rating on October 14, 2024 the following were the rating strengths and weaknesses (updated based on information shared by DHFPL).

#### Key weaknesses

##### Small scale of operations with thin profitability margins

The scale of operations improved due to higher sales realization yet remained small marked by a total operating income (TOI) of Rs.79.93 crore during FY25 (prov.) as against Rs.64.91 crore during FY24. However, profitability margins, though improved owing to improvement in sales realizations, remained thin marked by PBILDT margin of 0.97% during FY25 (prov.) as against 0.03% during FY24. Consequently, DHFPL reported a net profit of Rs.0.08 crore in FY25 (prov.) as against net loss of Rs.0.34 crore in FY24.

##### Moderate capital structure along with weak debt coverage indicators

DHFPL's capital structure has deteriorated due to higher working capital utilization as on balance sheet date and remained moderate marked by overall gearing of 3.09 times as on March 31, 2025 (prov.) as against 1.74 times as on March 31, 2024. Debt coverage indicators, though improved but remained weak owing to thin profitability as marked by interest coverage ratio of 1.50 times during FY25 (prov.) as against 0.06 times during FY24, and total debt to GCA at 26.61 times as on March 31, 2025 (prov.).

##### Fragmented and competitive nature of industry

The commodity nature of the product makes the industry highly fragmented. More than two third of the total number of players belong to unorganized sector with very less product differentiation. Due to the fragmented nature and low entry barriers in the industry, the flour mill units have limited flexibility over pricing their products which leads to low profit margins.

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

## **Volatile agro-commodity prices with linkages to vagaries of nature for raw material availability and regulated nature of the industry**

DHFPL is primarily engaged in the processing of wheat. Wheat being an agricultural produce is dependent on the vagaries of monsoon. Also, it being a staple food, its price is subject to intervention by the government. In the past, the prices of wheat have remained volatile mainly on account of the government policies in respect of Minimum Support Price (MSP), along with controls on its exports. Any volatility in the wheat prices will have an adverse impact on the performance of the flour mill. Further, wheat is cultivated between November-April and harvested in March-April every year. Its cultivation is dependent more on irrigation and less on the monsoon pattern. Hence, irregular rainfall patterns, improper irrigation facilities, coupled with pre-harvest and post-harvest losses can majorly impact its production and availability. The company is susceptible to supply side constraints like seasonal nature and exposure to the vagaries of monsoon. Therefore, any adverse climatic change in the region can impact the procurement plans of the company and in turn can impact the financial risk profile of the company.

### **Key strengths**

#### **Experienced Promoters**

DHFPL is promoted by Mr. Shankar Patel and Mr. Kirit Patel who looks after the overall management of the company. Both the promoters have experience of more than three decades in the agro commodities processing industry.

#### **Location Advantage**

DHFPL's manufacturing unit is in wheat growing belt of Gujarat having large network of wheat growers from whom raw material can be acquired easily, thereby making it beneficial for DHFPL in terms of transportation and connectivity. Wheat is classified as Rabi crop having season from October to March. DHFPL's presence in wheat producing region results in benefit of consistent demand providing sustainable and clear revenue visibility.

#### **Liquidity: Stretched**

The liquidity position of DHFPL remained stretched owing to low cash accruals against its debt repayment obligations, negative cash flow from operations and low cash and bank balance. Unencumbered cash and bank balance remained low at Rs.0.13 crore as on March 31, 2025 (prov.), while its cash flow from operations was negative of Rs.2.69 crore for FY25 against positive cashflow of Rs.1.51 crore for FY24.

### **Applicable criteria**

[Information-Adequacy-Risk-and-INC](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

Nadiad (Gujarat) based Diya Hygiene Flours Private Limited (DHFPL) was incorporated in January 2011 as private limited company. Its key promoters are Mr. Shankar Patel and Mr. Kirit Patel. DHFPL is engaged in the agro processing industry and manufactures products like wheat flour, bran, maida flour, suji/rava flour etc. and has installed its manufacturing plant at Dabhan, Nadiad with an installed capacity of 150 metric tonnes per day (MTPD) as on March 31, 2024. DHFPL mainly procures raw material viz. wheat grain from surrounding regional areas in Gujarat and from various traders and farmers.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	64.91	79.93
PBILDT	0.02	0.77
PAT	-0.34	0.08
Overall gearing (times)	1.74	3.09
Interest coverage (times)	0.06	1.50

A: Audited Prov.: Provisional; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE B+; Stable; ISSUER NOT COOPERATING*

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

#### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	5.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (14-Oct-24)	1)CARE BB-; Stable (25-Oct-23)	1)CARE BB-; Stable (02-Nov-22)

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

LT: Long term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

#### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

#### Annexure-5: Lender details

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

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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