

## Malkit Agrotech Private Limited

January 05, 2026

| Facilities/Instruments    | Amount (₹ crore) | Rating <sup>1</sup>                      | Rating Action   |
|---------------------------|------------------|--|---|
| Long-term bank facilities | 13.06            | CARE BB; Stable; ISSUER NOT COOPERATING* | Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Malkit Agrotech Private Limited (MAPL) to monitor rating, vide various email communications dated December 17, 2025, December 22, 2025, December 26, 2025, December 27, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating on the basis of best available information, which however, in CareEdge Ratings' opinion, is not sufficient to arrive at a fair rating. The rating on MAPL's bank facilities will now be denoted as **CARE BB; 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).**

Rating has been downgraded on account of non-availability of requisite information due to non-cooperation by MAPL with CareEdge Ratings efforts to undertake a review of the rating outstanding. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk. Further, rating assigned to bank facilities of MAPL continues to remain constrained by low profitability margin, highly competitive and fragmented nature of industry with limited repeat orders from existing customers. There is also a risk associated with seasonal nature of operations and susceptibility of margins to raw material price fluctuations. The rating, however, continues to draw comfort from experienced and resourceful promoters with long track record of operations and improvement in scale of operations in FY25, comfortable capital structure, and moderate financial risk profile.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

#### Key weaknesses

##### Low profitability margins

MAPL's operating profitability margins remained low with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within a range of 5-6% in the past three years ended FY25 due to intense competition. Profit after taxation (PAT) margins stood at 2.98% in FY25, against 2.62% in FY24.

##### Susceptibility of margins to raw material price fluctuations

The company's operations are raw material intensive, where major raw material includes iron, tyres, and engines. Iron prices are fluctuating, and the variation is at times not fully passed on to customers due to intense competition in operations. The company procures engines from distributors of reputed brands, which are used in manufacturing straw reapers. The raw material used in such engines is also commodity-based, and the company has limited bargaining power with suppliers on pricing. This exposes its margins to adverse movement in raw material prices.

##### Seasonal nature of operations

The company's operations are largely seasonal and directly aligned with crops harvesting seasons. Due to seasonality, major revenue is booked in the last two months and in second quarter of the financial year, leaving its manufacturing unit underutilised in remaining period of financial year.

##### Highly competitive and fragmented nature of industry with limited repeat orders from existing customer

The agriculture equipment industry is highly seasonal and price-competitive due to presence of several unorganised players and few organised players. The company manufactures capital goods with a lifespan of two-three years and supplies directly to

<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.

farmers, who contribute ~80% of revenue from operations, with limited repeat orders from existing buyers. However, the company has an extensive marketing team that secures regular orders from new customers.

## Key strengths

### Experienced and resourceful promoters with long track record of operations

MAPL is led by Malkit Singh and Charan Singh, having almost three decades of experience in agriculture and agriculture-related equipment. They are supported by the other directors having vast experience in their respective domains. The promoters of the company are highly resourceful and have extended continuous financial support to the company in the past by infusing additional funds in the form of unsecured loans to fund business requirements.

### Growing scale of operations and comfortable capital structure

The scale of operations of the company improved to ₹280.93 crore in FY25, from ₹173.62 crore in FY24. This increase resulted in cash accruals of ₹11.08 crore in FY25, against the ₹6.22 crore in FY24. The capital structure of the company continues to remain comfortable as reflected by long-term debt to equity ratio and overall gearing ratio of 0.13x and 0.18x, respectively, as on March 31, 2025, compared to 0.11x and 0.35x, respectively, as on March 31, 2024.

### Liquidity: Adequate

The company earned gross cash accruals (GCA) of ₹11.08 crore in FY25 against scheduled repayment obligations of ₹4.71 crore. Further, the company has free cash and cash equivalents of ₹4.06 crore as on March 31, 2025. The current and quick ratio stood at a moderate level of 1.03x and 0.71x, as on March 31, 2025, against 1.12x and 0.82x, respectively, as on March 31, 2024.

**Environment, social, and governance (ESG) risks:** Not applicable

## Applicable criteria

[Definition of Default](#)

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

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector        | Industry   | Basic industry        |
|-------------------------|---------------|--|-----------------------|
| Industrials             | Capital goods | Agricultural, commercial & construction vehicles | Construction vehicles |

MATPL was converted to private limited company on May 31, 2012, which was earlier working as a partnership firm between Singh Brothers, Malkit Singh, and Charan Singh for manufacturing and trading self-propelled combine harvester, straw reaper. MATPL's product portfolio includes tractor-driven combine harvester, straw reaper, rotavator, seed, and seed drill, which is manufactured from its unit in Patiala, Punjab.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) |
|----------------------------|--------------------|--------------------|
| Total operating income     | 173.62             | 280.93             |
| PBILDT*                    | 9.54               | 15.46              |
| Profit after tax (PAT)     | 4.56               | 8.36               |
| Overall gearing (x)        | 0.35               | 0.18               |
| Interest coverage (x)      | 4.14               | 8.26               |

A: Audited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation, and tax

### Status of non-cooperation with previous CRA:

Brickwork Ratings has continued the rating assigned to bank facilities of Malkit Agro Tech Private Limited to the "Issuer Not-Cooperating" category, vide its press release dated July 23, 2025, on account of its inability to carryout review in the absence of requisite information from the company.

**Any other information:** Not applicable

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

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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 | -    | -                             | -               | -                          | 8.80                        | CARE BB; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan   | -    | -                             | -               | 31-12-2025                 | 4.26                        | CARE BB; 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-Term Loan              | LT              | 4.26                         | CARE BB; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE BB+; Stable (02-Jan-25)              | 1)CARE BB+; Stable (04-Dec-23)              | 1)CARE BB; Stable (30-Jan-23)               |
| 2       | Fund-based - LT-Cash Credit            | LT              | 8.80                         | CARE BB; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE BB+; Stable (02-Jan-25)              | 1)CARE BB+; Stable (04-Dec-23)              | 1)CARE BB; Stable (30-Jan-23)               |

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

LT: Long term

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

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

| Sr. No. | Name of the Instrument      | Complexity Level |
|---------|-----------------------------|------------------|
| 1       | Fund-based - LT-Cash Credit | Simple           |
| 2       | Fund-based - LT-Term Loan   | 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 for clarifications.

## Contact us

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