

## Shri Karpadha Agro Foods

September 29, 2020

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.40	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total Facilities	9.40 (Rs. Nine Crore and Forty Lakhs Only)		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated August 02, 2019, placed the rating(s) of Shri Karpadha Agro Foods (SKAF) under the 'issuer not cooperating' category as SKAF had failed to provide information for monitoring of the rating. Shri Karpadha Agro Foods continues to be non-cooperative despite repeated requests for submission of information through phone calls and e mails dated September 14, 2020 to September 21, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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.***

### Detailed description of the key rating drivers

*At the time of last press release dated August 02, 2019 the following were the rating strengths and weaknesses:*

### Key Rating Weakness

#### Ongoing delays in meeting of debt obligations

The firm is unable to generate sufficient cash flows leading to strained liquidity position resulting in ongoing delays in meeting its debt obligations in time.

### Key rating strengths

#### ***Long experience of promoters' family in rice milling industry***

Mr.P.Palanisamy is the main promoter of SKAF and has an overall experience of 17 years in this industry. Prior to establishment of KAF, he was engaged in rice milling business as a partner in a firm established by family members. Subsequently, he retired from that firm and established KAF. Mr.P.Kalaivanan, one of the promoters is an Electronics and Electrical Engineering graduate and was looking after machinery maintenance. Mr.P.Arul, presently the Managing Partner in SKAF is an MBA graduate specialized. Prior to establishment of KAF, he was assisting in rice milling business established by family members looking after the overall operations. Ms. Lalithambigai, partner joined the firm from April 2016.

### **Analytical Approach:** Standalone

### **Applicable Criteria**

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

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

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology – Construction sector](#)

### **About the Firm**

Shri Karpadha Agro Foods (SKAF) is a partnership firm engaged in rice milling business and the present partners are Mr. Arul and Ms. Lalithambigai. Originally the firm was established in 2006 in the name of "Karpadha Agro Foods" (KAF) promoted by

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

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

Mr. P. Palanisamy, Mrs. P. Dhanam, Mr. P. Kalaivanan and Mr. P. Arul. Subsequently the partnership was reconstituted in April 2015.

Brief Financials (Rs. crore)	FY14 (A)	FY15 (A)
Total operating income	31.62	40.48
PBILD T	1.34	1.60
PAT	0.14	0.21
Overall gearing (times)	1.60	1.45
Interest coverage (times)	1.47	1.40

A-Audited

**Status of non-cooperation with previous CRA:** ACUTE D; Issuer Not Cooperating; vide press release dated December 27, 2019

**Any other information:** Not applicable

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

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

Name of the Instrument	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 2021	0.90	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	8.50	CARE D; 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/Banking Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	L T	0.90	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (02-Aug-19)	1)CARE D; ISSUER NOT COOPERATING * (31-May-18)	1)CARE BB-; ISSUER NOT COOPERATING * (12-May-17)
2.	Fund-based - LT-Cash Credit	L T	8.50	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (02-Aug-19)	1)CARE D; ISSUER NOT COOPERATING * (31-May-18)	1)CARE BB-; ISSUER NOT COOPERATING * (12-May-17)

\*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 the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). 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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**About CARE Ratings:**

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