

Press Release

Delight Dairy Limited (DDL)

April 07, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 15.00 Cr. #
Long Term Rating	ACUITE BB+ Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details`

* The issuer did not co-operate; Based on best available information.

ACUITE has reaffirmed long term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs 15.00 crore bank facilities of Delight Dairy Limited (DDL). This rating is now an indicative rating and is based on best available information. The rating downgrade is on account of information risk.

Incorporated in 2000, DDL, a Kolkata-based company is engaged in manufacturing of dairy products. The company operates two units, one in Howrah (West Bengal) which processes pouched milk and other milk products such as curd and paneer. The other unit is in Dewas (Madhya Pradesh) which manufactures skimmed milk powder (SMP), butter and ghee. The company was promoted by Mr. R.K. Agarwal and currently, the operations are being managed by second generation entrepreneurs led by Mr. Vivek Agarwal.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of DDL to arrive at this rating.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not - cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
29-Jan-2019	Cash Credit	Long Term	13.00	ACUITE BB+/ Stable (Reaffirmed)
	Term Loan	Long Term	1.64	ACUITE BB+/ Stable (Assigned)
	Proposed Bank Facility	Long Term	0.06	ACUITE BB+/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.30	ACUITE A4+ (Reaffirmed)
14-Nov-2017	Cash Credit	Long Term	9.25	ACUITE BB+ (Indicative)
	Proposed Bank Facility	Short Term	3.00	ACUITE BB+ (Indicative)
	Bank Guarantee	Short Term	0.25	ACUITE A4+ (Indicative)
27-Oct-2016	Cash Credit	Long Term	9.25	ACUITE BB+/ Stable (Assigned)
	Proposed Bank Facility	Long Term	3.00	ACUITE BB+/ Stable (Assigned)
	Bank Guarantee	Short Term	0.25	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE BB+ (Indicative)
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.64	ACUITE BB+ (Indicative)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.06	ACUITE BB+ (Indicative)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE A4+ (Indicative)

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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