

Press Release

Delight Dairy Limited

July 02, 2021

Rating Withdrawn



Total Bank Facilities Rated	Rs.15.00 Cr
Long Term Rating	ACUITE BB+ (Withdrawn and Indicative)
Short Term Rating	ACUITE A4+ (Withdrawn and Indicative)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 15.00 Cr bank facilities of Delight Dairy Limited (DDL). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

About the company

Incorporated in 2000, DDL, a Kolkata-based company 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.

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

Analytical Approach

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials (Standalone)

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	88.08	78.02

PAT	Rs. Cr.	0.15	0.24
PAT Margin	(%)	0.17	0.31
Total Debt/Tangible Net Worth	Times	1.82	1.79
PBDIT/Interest	Times	2.01	2.29

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité 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	Ratings/Outlook
			(Rs. Crore)	
07-Apr-2020	Cash Credit	Long term	13.00	ACUITE BB+ (Indicative)
	Proposed Bank Facility	Long term	0.06	ACUITE BB+ (Indicative)
	Term Loan	Long term	1.64	ACUITE BB+ (Indicative)
	Bank Guarantee	Short Term	0.30	ACUITE A4+ (Indicative)
29-Jan-2019	Cash Credit	Long term	13.00	ACUITE BB+/Stable (Reaffirmed)
	Proposed Bank Facility	Long term	0.06	ACUITE BB+/Stable (Reaffirmed)
	Term Loan	Long term	1.64	ACUITE BB+/Stable (Assigned)
	Bank Guarantee	Short Term	0.30	ACUITE A4+ (Reaffirmed)
14-Nov-2017	Cash Credit	Long term	9.25	ACUITE BB+ (Indicative)
	Proposed Bank Facility	Long term	3.00	ACUITE BB+ (Indicative)
	Bank Guarantee	Short Term	0.25	ACUITE A4+ (Indicative)

*Annexure – Details of instruments rated

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

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research 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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