



Press Release

KISAN AGRO PRODUCT INDUSTRIES

June 19, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	17.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) on the Rs. 17.00 Crore bank facilities of KISAN AGRO PRODUCT INDUSTRIES (KAPI). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Gujarat based Kisan Agro Product Industries (KAPI) was established in 1995 by Mr. Manu bhai Patel and is engaged in trading of various grades of Castor Oil and Caster seed Extraction. Procurement is done from its group company- Kisan Oleochem and Derivatives Private Limited and exports majorly to USA. Firm is being promoted by Mr. Manu bhai Patel, Mr. Shankar bhai Patel, Mr. Raman bhai Patel and Mrs. Hema ben Patel.

About the Group

Kisan Agro group (KAG), based out of Gujarat, is engaged in extraction, refining and exporting of castor oil. Also, it is engaged in extracting solvent extraction from rapeseed. The castor oil is exported to foreign countries, including china, Iran, Iraq, Japan and many more. It is used in various industries to manufacture cosmetic products, paints, plastic products. The rapeseed de-oiled cakes are majorly used as feed in poultry. The raw material such as castor seeds and rapeseed cake are procured from APMC of Gujarat and local suppliers in Rajasthan, Madhya Pradesh and Haryana. The installed capacity for castor oil is around 350 MT per day utilized to the tune of around 250 MT per day. For rapeseed cake, the installed capacity is 250 MT per day and utilization is around 150 MT per day.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

Acuite 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.

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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 19 (Provisional)	FY 18 (Actual)
Operating Income	Rs. Cr.	462.55	457.65
PAT	Rs. Cr.	1.42	1.09
PAT Margin	(%)	0.31	0.24
Total Debt/Tangible Net Worth	Times	3.50	2.89
PBDIT/Interest	Times	1.34	1.34

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Apr 2022	Cash Credit	Long Term	2.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
06 Jan 2021	Cash Credit	Long Term	10.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB- (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE B+ Reaffirmed Issuer not co- operating*
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE B+ Reaffirmed Issuer not co- operating*
The Mehsana Urban Cooperative Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE B+ Reaffirmed Issuer not co- operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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