



Press Release

Dairyflex Packaging Solutions Private Limited

September 28, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.50	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	29.50	-	-

Rating Rationale

Acuite has reaffirmed a long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) to the Rs 29.50 crore bank facilities of Dairyflex Packaging Solutions Private Limited (DPSPL). The rating is now flagged as "Issuer Not Cooperating" based on account of information risk.

Acuite had sent repeated reminders to the company for sharing critical information and documents for surveillance of the ratings; but, despite multiple requests, the management has remained non-cooperative in providing any information. However, the banker has provided their feedback that the conduct of the account is satisfactory.

About the Company

Based in Jharkhand, DFY 2020. The company is promoted by Mr. Amit Agarwal, Mr. Ajay Kumar Agarwal, Mr. Pratik Shanker Dayal and Mr. Pratyush Shanker Dayal. The company is engaged in the production of printed sacks, rice bags, ice-cream cups, dahi cups, paneer pouch, WMP bag, SMP bag, laminates and sweet boxes.

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 noncooperation 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 Acuite'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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

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

All Covenants

Not Applicable

Liquidity Position

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

Outlook

None

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	2.70	0.00
PAT	Rs. Cr.	0.36	0.00
PAT Margin	(%)	13.33	0.00
Total Debt/Tangible Net Worth	Times	2.36	0.00
PBDIT/Interest	Times	5.18	0.00

Status of non-cooperation with previous CRA

CRISIL vide its press release dated 30th May 2023, had rated the company to CRISIL B/Stable; Issuer Not Cooperating.

Any other information

Acuite is yet to receive the latest No Default Statement from the rated entity despite repeated requests and followups.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
20 Jul 2022	Cash Credit	Long Term	6.00	ACUITE B+ Stable (Assigned)
	Proposed Bank Facility	Long Term	1.25	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	22.25	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
UCO Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	1.25	ACUITE B+ Reaffirmed Issuer not co-operating*
UCO Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	22.25	ACUITE B+ Reaffirmed Issuer not co-operating*

Contacts

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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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