



RATING RATIONALE

25 Nov 2022

Dayal Energy & Protein Pvt. Ltd.

Brickwork Ratings downgrades the long-term and short-term ratings to BWR D for the Bank Loan Facilities of Rs. 85.00 Crs. of Dayal Energy & Proteins Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (25 Jul 2022)	Present
Fund Based	75.00	75.00	Long Term	BWR BB+ /Stable ISSUER NOT COOPERATING*/Downgraded^	BWR D Continues to be in ISSUER NOT COOPERATING* category/Downgraded
	5.00	5.00	Short Term	BWR A4+ ISSUER NOT COOPERATING*/Downgraded^	BWR D Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Non Fund Based	5.00	5.00	Short Term	BWR A4+ ISSUER NOT COOPERATING*/Downgraded^	BWR D Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Grand Total	85.00	85.00	(Rupees Eighty Five Crores Only)		

#Please refer to BWR website www.brickworkratings.com (<https://www.brickworkratings.com>) for definition of the ratings

**Details of Bank Loan facilities,consolidation or instruments are provided in Annexure

*Issuer did not cooperate; based on best available information.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long-term and short-term rating of the Bank Loan Facilities of the company has been downgraded to BWR D due to overdrawn over the Drawing Power/limit for continuously more than 30 days during the period June 2022 to August 2022 continued the rating under Issuer Non-cooperating Category due to non completion of the formalities for the withdrawal of the rating for the facility availed from one of the banker. The rating was due for surveillance on 25th July 2023. The client has requested a Mid term review of the rating. The company was being regularly followed up for the rating/Withdrawal of the rating of one of the lenders, vide email dated 20.10.2022, 21.10.2022, 22.10.2022 and 23.10.2022 for obtaining the relevant and latest information for the review of the rating/Withdrawal of the rating, but the entity did not comply with the requirements.



LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

ABOUT THE ENTITY

Incorporated in February 2008 as a private limited company by the Bachhuka family, Dayal Energy & Proteins Private Limited (DEPPL) is primarily engaged in the solvent extraction & refining of soybean oil and manufacturing of soya de-oiled cake (soya DOC). The soya DOC finds application in the cattle feed & poultry feed, whereas the soya refined oil finds application in the households for their consumption in the preparation of food. On the other hand, the primary raw materials viz. soyabean and soya solvent oil are procured majorly from the local APMC market. The manufacturing facility of the company is located at Babhulgaon in Akola, Maharashtra, equipped with an installed capacity of 1,20,000 tons per annum.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 21-22 (Audited)	FY 20-21 (Audited)
Operating Revenue	Rs.Crs.	296.00	379.08
EBITDA	Rs.Crs.	10.35	11.14
PAT	Rs.Crs.	0.99	0.97
Tangible Net Worth	Rs.Crs.	30.93	29.93
Total Debt/TNW	Times	2.24	2.44
Current Ratio	Times	1.48	1.34

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY

CRISIL Ratings has migrated the rating of the company under the ISSUER NOT COOPERATING category as the company had remained non-cooperative in providing the information for the rating review. Latest rating CRISIL B (Stable)/A4, ISSUER NOT COOPERATING vide press release dated 19 Nov 2021.

ANY OTHER INFORMATION

NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Facilities	Current Rating (2022)			2022 (History)		2021		2020		2019	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	75.00	BWR D (Continues to be in ISSUER NOT COOPERATING* category/ Downgraded)	25Jul2022	BWR BB+ Stable (ISSUER NOT COOPERATING*/ Downgraded^)	16Jul2021	BWR BBB- Stable (Reaffirmation)	22Apr2020	BWR BBB- Stable (Reaffirmation)	01Feb2019	BWR BBB- Stable (Reaffirmation)
Fund Based	ST	5.00	BWR D (Continues to be in ISSUER NOT COOPERATING* category/ Downgraded)	25Jul2022	BWR A4+ (ISSUER NOT COOPERATING*/ Downgraded^)	16Jul2021	BWR A3 (Reaffirmation)	NA	NA	NA	NA
Non Fund Based	ST	5.00	BWR D (Continues to be in ISSUER NOT COOPERATING* category/ Downgraded)	25Jul2022	BWR A4+ (ISSUER NOT COOPERATING*/ Downgraded^)	16Jul2021	BWR A3 (Reaffirmation)	22Apr2020	BWR A3 (Reaffirmation)	01Feb2019	BWR A3 (Reaffirmation)
Grand Total		85.00	(Rupees Eighty Five Crores Only)								

COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / [download](#) /

ComplexityLevels.pdf (<https://www.brickworkratings.com/download/ComplexityLevels.pdf>).

Investors queries can be sent to

info@brickworkratings.com (<mailto:info@brickworkratings.com>).

Hyperlink/Reference to applicable Criteria

• **General Criteria**

(<https://www.brickworkratings.com/download/Criteria-GeneralCriteria.pdf>)

• **Approach to Financial Ratios**

(<https://www.brickworkratings.com/download/Criteria-FinancialRatios.pdf>)

• **Manufacturing Companies**

(https://www.brickworkratings.com/download/Criteria_ManufacturingCompanies.pdf)

• **Short Term Debt**

(<https://www.brickworkratings.com/download/Criteria-ShortTermDebt.pdf>)

• **Default Recognition and Default Curing Period**

(<https://www.brickworkratings.com/download/Criteria-DefaultRecognitionDefaultCuringPeriod.pdf>)

Analytical Contacts	
Pratik Sanjay Ratings Analyst pratik.s@brickworkratings.com	Sushil Kumar Chitkara Director - Ratings Board : +91 22 2831 1426, +91 22 2831 1439 sushilkumar.c@brickworkratings.com
1-860-425-2742	media@brickworkratings.com

**Dayal Energy & Proteins Pvt.
Ltd.**

ANNEXURE-I

**Details of Bank Facilities rated
by BWR**

SL.No.	Name of the Bank/Lender	Type Of Facilities	Long Term(Rs.Crs.)	Short Term(Rs.Crs.)	Total(Rs.Crs.)
1	State Bank Of India (SBI)	Cash Credit-Sanctioned	35.00	–	35.00
2	State Bank Of India (SBI)	Export Packing Credit (EPC)-Sanctioned	–	5.00	5.00
3	State Bank Of India (SBI)	Letter of Credit-Sanctioned	–	5.00	5.00
4	Union Bank of India	Cash Credit (WHR)-Sanctioned	40.00	–	40.00
Total			75.00	10.00	85.00
TOTAL (Rupees Eighty Five Crores Only)					



For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,541 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER : Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.



BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.