

## Rating Rationale

28 April 2026

### Malkit AgroTech Pvt Ltd (MATPL)

Brickwork Ratings (BWR) has upgraded the long-term rating for the bank loan facilities of Rs. 13.50 Crores, while simultaneously removing the entity from the **'ISSUER NOT COOPERATING'**\* category. BWR has also withdrawn the ratings for certain bank loan facilities on account of the closure of those specific limits.

Facilities	Amount (Rs.Crs.)		Tenure	Rating	
	Previous	Present		Previous (23-Jul-2025)	Present
Fund Based	0.85	<b>0</b>	Long Term	BWR B/Stable; Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	<b>Withdrawal</b>
	8.80	<b>8.00</b>	Long Term	BWR B/Stable; Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	<b>BWR BBB/Stable (Upgraded)/Removal From ISSUER NOT COOPERATING* category</b>
	(1.00)	<b>(1.00)</b>	Long Term	BWR B/Stable; Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	<b>BWR BBB/Stable (Upgraded)/Removal From ISSUER NOT COOPERATING* category</b>
	2.38	<b>0.56</b>	Long Term	BWR B/Stable; Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	<b>BWR BBB/Stable (Upgraded)/Removal From ISSUER NOT COOPERATING* category</b>
	0	<b>2.19</b>		-	<b>BWR BBB Stable/Assignment</b>
	0	<b>2.75</b>		-	<b>BWR BBB Stable/Assignment</b>
<b>Grand Total</b>	<b>12.03</b>	<b>13.50</b>	<b>(Rupees Thirteen Crore and Fifty Lakhs Only)</b>		

#Please refer to BWR website [www.brickworkratings.com](http://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 the best available information.

### RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) has upgraded the long-term rating for the bank loan facilities of ₹13.50 Crores of Malkit Agrotech Pvt Ltd to BWR BBB/Stable, while simultaneously removing the entity from the ISSUER NOT COOPERATING category. BWR has also withdrawn the ratings for the earlier Axis Bank term loan of ₹0.85 crore on account of its closure, in line with the withdrawal policy.

The Stable Outlook reflects BWR's expectation that Malkit Agrotech Pvt Ltd will sustain its strengthened financial profile, supported by the promoters' deep industry expertise, strong dealer network, and healthy order book visibility. Continued accretion to net worth, robust revenue growth,

and comfortable debt servicing capacity provide resilience against sectoral cyclicity and input cost pressures.

## **KEY RATING DRIVERS**

### **Credit Strengths:-**

#### **1) Locational Advantage**

The company/Firm is located in Nabha, Punjab and has a competitive advantage in terms of skilled labour, logistics, production knowledge and vendors, making the company more efficient and cost-effective, reducing R&D lead times and logistics costs for heavy machinery compared to manufacturers in non-agricultural hubs.

#### **2) Experienced Founders**

The founders, Mr Malkit Singh and Mr Charan Singh, bring close to 4 decades of experience in agricultural machinery, and they are supported by other directors who have experience in their related domains

#### **3) Company Existence**

Malkit Agro Tech Private Limited (based in Nabha, Punjab) was established in 1988 by Singh Brothers (Malkit Singh & Charan Singh). It was later converted into a private limited company on May 31, 2012, operating as a manufacturer of agricultural machinery such as combine harvesters and straw reapers. They have seen various business cycles.

#### **4) Liquidity Position**

The current ratio and quick ratio for FY'25 is 1.06x and 0.74x as compared to 1.13x and 0.83x in FY'24. The NetCash Accruals (NCA) as of FY'25 is Rs 11.16 as compared to Rs 6.22 Cr as of FY'24, which is projected to rise to Rs 16.73 Cr in FY'26 against the annual repayment obligations of Rs 1.73 Cr and utilisation of cash credit limit to the extent of 38.56%.

#### **5) ISCR AND DSCR**

The ISCR and DSCR have been projected to improve from FY'25 to FY'26, indicating a stronger capacity to cover interest payments and total debt obligations. An ISCR increase from 8.04 to 11.86, along with a DSCR rise from 3.60 to 5.01, reflects enhanced financial stability and operational efficiency. These positive trends signify a reduced risk profile, making the company more attractive to investors and lenders

### **Credit Risks:-**

#### **1) Cyclical Business**

The cyclicity of the business is intricately linked to monsoons and varying weather conditions, presenting both challenges and opportunities for growth. By effectively analysing these influencing factors, the business can leverage seasonal trends to optimise performance and enhance resilience in response to environmental fluctuations

#### **2) Technological Gap**

MATPL products are in good demand in the market, highlighting their strong appeal. To effectively

compete against rivals and capture opportunities in the export market, it is crucial for them to enhance their technological capabilities. By doing so, they can strengthen their position and also unlock new growth avenues.

### 3) Raw Material Price Volatility

The company's operations are material-intensive, relying heavily on iron, tyres, and engines. Fluctuations in iron prices, coupled with intense competition, make it difficult to pass on cost increases to customers, exposing margins to risk.

#### **ANALYTICAL APPROACH: Standalone**

For arrive at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria, as detailed below (hyperlinks provided at the end of this rationale).

#### **RATING SENSITIVITIES**

- **Positive Sensitivities:** The rating may be upgraded if the company continues to report operating income growth of 15%, supported by an EBITDA margin of above 6.00% and Net Margins of above 3.50%.
- **Negative Sensitivities:** Though the company has been maintaining satisfactory liquidity in the business, any decline in the current ratio below 1.10 %, ISCR below 4%, and DSCR below 2% may directly have an impact on the expansion of the business and rating.

#### **LIQUIDITY INDICATORS: Adequate**

The company's liquidity is characterised as adequate, with net cash accruals of Rs. 11.16 Cr as of FY'25, which is projected to rise to Rs 16.73 Cr In FY'26 against the annual repayment obligations of Rs. 1.73 Cr, a current ratio of 1.06, and utilisation of cash credit limit to the extent of ~40% as at 31.03.2025. Further liquidity position is going to improve, with improved retained profits and reduced CPLTD repayments, with no fresh requirement of Term Loans in FY 26. ISCR and DSCR stood at 7.95x and 3.6x during FY'25 (Aud.).

#### **ABOUT THE ENTITY:**

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials (IN07)	Capital Goods (IN0702)	Industrial Manufacturing (IN070204)	Farm Machinery

Malkit Agro Tech Pvt. Ltd. (MATPL) was initially started as a proprietorship firm established in 1986 and converted into a partnership firm by Singh Brothers, Mr Malkit Singh and Mr Charan Singh for manufacturing and trading of self-propelled combine harvesters. It was reconstituted as a private limited company with the same name in 2012. MATPL later diversified its operations by adding several new products such as tractor-driven combine harvester, straw reaper, rotavator, seeder and seed drill. The registered office is located at Lubana Karmu, Nabha to Gobindgarh road, Nabha, Patiala, Punjab. MATPL is managed by Mr S. Malkit Singh (Founder/Managing Director) and Mr S. Charan Singh (Founder/Director), having more than 45 years of experience in combine harvester

manufacturing. The other two directors, Mr S. Hardeep Singh and Mr S. Mandeep Singh, both have about 20 years of industry experience. At present, the company is operating from its facility spread across an area of approx. 25 acres increased from previously 8 acres, located in Nabha in the district of Patiala (Punjab). The company has increased its presence in many states through wider dealer network, which has grown from 23 to 58 dealers.

**ESG Profile:**

ESG guidelines do not apply to the subject company in view of the nature of the business and size. However, the company has been sensitised about the ESG guidelines and its compliance.

**Environmental:** Environmental risks are driven by high water usage, waste generation, and reliance on energy-intensive processes, making disclosures on water consumption, waste-management practices, renewable energy share and emissions levels particularly important.

**Social:** Social factors hinge on adherence to labour laws, accident prevention frameworks, and human-capital development, with metrics such as workforce mix, the total office staff is 560 i.e 500 in production and 60 in management (having a gender distribution of Male:80% & Female:20%), safety performance, and training initiatives offering insights into operational resilience.

**Governance:** Governance assessment focuses on board independence, committee effectiveness, and robustness of compliance systems, supported by readily available disclosures on board structure, audit mechanisms, and risk-management practices.

**KEY FINANCIAL INDICATORS (Standalone)**

Key Parameters	Units	FY 2023	FY 2024	FY 2025
Result Type		Audited	Audited	Audited
Total Operating Income	Rs. in Crs	111.97	173.79	281.11
EBITDA	Rs. in Crs	6.59	9.71	15.71
PAT	Rs. in Crs	2.20	4.56	8.44
Tangible Net Worth	Rs. in Crs	14.50	19.06	27.42
Total Debt / Tangible Net Worth	Times	1.43	1.26	0.61
Current Ratio	Times	1.14	1.13	1.06

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:** The facility carries standard financial and operational covenants typical for such credit facilities.

**STATUS OF NON-COOPERATION WITH PREVIOUS CRA:**

Credit Rating Agency	Status and Reason for Non-Cooperation	Date of Press Release
CARE Ratings	The downgrade of MATPL's bank facilities by CareEdge Ratings stems from the non-availability of requisite information, following the company's lack of cooperation in the rating process	05Jan2026

Any other information: Not Applicable

**RATING HISTORY FOR THE PREVIOUS THREE YEARS**

Facilities		Current Rating (2026)		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	13.50	BWR BBB/Stable (Upgraded)/Removal From ISSUER NOT COOPERATING * category	23Jul 2025	BWR B/Stable Continues to be in ISSUER NOT COOPERATING * category/Downgraded	24Jul 2024	BWR B /Stable Continues to be in ISSUER NOT COOPERATING * category/Downgraded	07Jul 2023	BWR B + /Stable ISSUER NOT COOPERATING * Downgrade
<b>Total</b>		<b>13.50</b>	<b>(Rupees Thirteen Crore and Fifty Lakhs Only)</b>						

**Hyperlink/Reference to applicable Criteria**

**Criteria Link:**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Policy On Issuer Non -Cooperation](#)
- [Rating Withdrawal policy](#)
- [Complexity Levels](#)
- [Manufacturing Company](#)

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**Malkit AgroTech Pvt Ltd (MATPL)**

**Annexure-I: Details of Bank Facilities rated by BWR**

Sr. No	Name of the Bank	Types of Facility	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument
1	Axis Bank	Cash Credit- Sanctioned	8.00	-	8.00	Simple##
		Emergency Credit Line Guarantee Scheme (ECLGS)	0.56	-	0.56	Simple##
		Sub-Limit (Export Packing Credit) -Sanctioned	(1.00)	-	(1.00)	Simple##
2	Bank of India	Term Loan - Outstanding	01.73	-	01.73	Simple##
3	SIDBI	Term Loan - Outstanding	0.46	-	0.46	Simple##
		Bank Loan-Proposed	2.75	-	2.75	Simple##
<b>Grand Total</b>			<b>13.50</b>	-	<b>13.50</b>	
			<b>(Rupees Thirteen Crore and Fifty Lakhs Only)</b>			

## BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com](http://www.brickworkratings.com) / download / ComplexityLevels.pdf. Investors' queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**ANNEXURE-II: INSTRUMENT DETAILS**

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE-III: List of entities consolidated**

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

**List of instruments and regulators:**

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference shares (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) <sup>1</sup>	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) <sup>-1</sup>	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) <sup>-1</sup>	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs <sup>-2</sup>	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, FIs	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme - <sup>3</sup>	-
Issuer Ratings <sup>4</sup>	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference shares securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) <sup>-1</sup>	Investor-side Regulator, such as IRDAI, PFRDA <sup>5</sup>
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries, Companies <sup>6</sup>	NA

**Important Notes and Clarifications**

- Includes securitisation transactions involving assignee payout and acquirer's payout.
- Includes bank facilities such as liquidity facility, second loss facility, which are part of securitisation transactions.
- The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with the names of respective regulators.

- There is no instrument being rated, and hence, the Regulator of the Instrument is not applicable.
- These ratings were assigned during the regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
- Permitted by SEBI vide SEBI Master Circular for CRAs

**Grievance Management:** For any grievances relating to the rating of instruments regulated by SEBI, please contact [sebigrievance@brickworkratings.com](mailto:sebigrievance@brickworkratings.com). Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

**For any grievances relating to the rating of instruments regulated by other FSR (Financial Sector Regulators),** please contact [grievance@brickworkratings.com](mailto:grievance@brickworkratings.com).

#### **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]. BWR is the 5th agency to get a credit rating registration in India in 2009, and its corporate office is in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner and promoter. Brickwork 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 also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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