

Press Release

Merchant Agri Global Private Limited

August 14, 2020



Rating Update

| | |
|------------------------------------|---|
| Total Bank Facilities Rated | Rs. 112.50 Cr. # |
| Long Term Rating | ACUITE B- (Downgraded from ACUITE BB/Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE B-**' (**read as ACUITE B minus**) from '**ACUITE BB'** (**read as ACUITE double B**) and the short term rating to '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 112.50 crore bank facilities of Merchant Agri Global Private Limited (MAPL). This rating is now an indicative rating and is based on the best available information. The rating is downgraded on account of information risk.

The Indore-based MAPL was incorporated in 2006, and is promoted by Mr. Abhishek Agrawal and family. The company is engaged in the trading and exporting of agricultural commodities, mainly animal feed raw materials that various types of meals, de-oiled rice bran, millet, maize, wheat and rice, among others. Mr. Abhishek Agrawal (Managing Director) manages the day-to-day operations of the company.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.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 endeavoured 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

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 (Rs. Cr.) | Ratings/Outlook |
|-------------|--|-------------|-------------------------|--|
| 05-Jun-2019 | Cash Credit | Long Term | 35.00 | ACUITE BB/Stable (Downgraded from ACUITE BB+/Stable) |
| | Packing Credit | Short Term | 5.00 | ACUITE A4+ (Reaffirmed) |
| | Cash Credit | Long Term | 15.00 | ACUITE BB/Stable (Downgraded from ACUITE BB+/Stable) |
| | Post Shipment Credit | Short Term | 20.00 | ACUITE A4+ (Reaffirmed) |
| | Cash Credit | Long Term | 15.00 | ACUITE BB/Stable (Downgraded from ACUITE BB+/Stable) |
| | Proposed Bank Facility | Short Term | 22.50 | ACUITE A4+ (Reaffirmed) |
| 09-Mar-2018 | Cash Credit | Long Term | 25.00 | ACUITE BB+/Stable (Downgraded from ACUITE BBB-/Stable) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB+/Stable (Downgraded from ACUITE BBB-/Stable) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB+/Stable (Downgraded from ACUITE BBB-/Stable) |
| | Packing Credit | Short Term | 15.00 | ACUITE A4+ (Downgraded from ACUITE A3) |
| | Post Shipment Credit | Short Term | 20.00 | ACUITE A4+ (Downgraded from ACUITE A3) |
| | Packing Credit | Short Term | 15.00 | ACUITE A4+ (Downgraded from ACUITE A3) |
| | Cash Credit | Long Term | 15.00 | ACUITE BB+/Stable (Assigned) |
| | Proposed Short Term Loan | Short Term | 2.50 | ACUITE A4+ (Assigned) |
| 01-Dec-2016 | Cash Credit | Long Term | 25.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Cash Credit | Long Term | 15.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Packing Credit | Short Term | 25.00 | ACUITE A3 (Reaffirmed) |
| | Post Shipment Credit | Short Term | 20.00 | ACUITE A3 (Reaffirmed) |
| | Packing Credit | Short Term | 15.00 | ACUITE A3 (Reaffirmed) |
| | Derivative Exposure | Short Term | 1.30 | ACUITE A3 (Reaffirmed) |
| | Derivative Exposure | Short Term | 1.20 | ACUITE A3 (Reaffirmed) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 35.00 | ACUITE B- (Downgraded from ACUITE BB /Stable) Issuer not co-operating* |
| Packing Credit | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE B- (Downgraded from ACUITE BB /Stable) Issuer not co-operating* |
| Post Shipment Credit | Not Applicable | Not Applicable | Not Applicable | 20.00 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE B- (Downgraded from ACUITE BB /Stable) Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 22.50 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

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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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