

## Press Release

### Merchant Agri Global Private Limited

March 21, 2023



### Rating Downgraded and Issuer not co-operating

| Product                            | Quantum<br>(Rs. Cr) | Long Term Rating                                 | Short Term Rating                                |
|------------------------------------|---------------------|--|--|
| Bank Loan Ratings                  | 65.00               | ACUITE D   Downgraded   Issuer not co-operating* | -  |
| Bank Loan Ratings                  | 47.50               | -  | ACUITE D   Downgraded   Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 112.50              | -  | -  |

### Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE B-' (read as ACUITE B minus)**' and the short term rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE A4' (read as ACUITE A four)**' on the Rs.112.50 crore bank facilities of Merchant Agri Global Private Limited. The rating continues to be flagged as "Issuer Not Cooperating". The downgrade is on the account of the suit filed against the company as mentioned in the defaulter list published by CIBIL.

### About the Company

The Indore-based Merchant Agri Global Private Limited (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:

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 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 continues to be flagged as "Issuer notcooperating", 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 endeavored 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.

### Key Financials

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

### Rating Sensitivity

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

### Material Covenants

None

### Liquidity Position

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

### Outlook: Not Applicable

### Other Factors affecting Rating

None

### 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>
- 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>

### 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](http://www.acuite.in)

### Rating History

| Date        | Name of Instruments/Facilities | Term       | Amount (Rs. Cr) | Rating/Outlook                        |
|-------------|--------------------------------|------------|-----------------|---------------------------------------|
| 08 Feb 2023 | Cash Credit                    | Long Term  | 15.00           | ACUITE B- ( Issuer not co-operating*) |
|             | Proposed Bank Facility         | Short Term | 22.50           | ACUITE A4 ( Issuer not co-operating*) |
|             | Packing Credit                 | Short Term | 5.00            | ACUITE A4 ( Issuer not co-operating*) |
|             | Cash Credit                    | Long Term  | 15.00           | ACUITE B- ( Issuer not co-operating*) |
|             | Cash Credit                    | Long Term  | 35.00           | ACUITE B- ( Issuer not co-operating*) |
|             | Post Shipment Credit           | Short Term | 20.00           | ACUITE A4 ( Issuer not co-operating*) |
|             | Packing Credit                 | Short Term | 5.00            | ACUITE A4 ( Issuer not co-operating*) |

|             |                        |            |       |   |
|-------------|------------------------|------------|-------|---|
| 10 Nov 2021 | Proposed Bank Facility | Short Term | 22.50 | ACUITE A4 ( Issuer not co-operating*)               |
|             | Cash Credit            | Long Term  | 15.00 | ACUITE B- ( Issuer not co-operating*)               |
|             | Cash Credit            | Long Term  | 15.00 | ACUITE B- ( Issuer not co-operating*)               |
|             | Post Shipment Credit   | Short Term | 20.00 | ACUITE A4 ( Issuer not co-operating*)               |
|             | Cash Credit            | Long Term  | 35.00 | ACUITE B- ( Issuer not co-operating*)               |
| 14 Aug 2020 | Cash Credit            | Long Term  | 15.00 | ACUITE B- (Downgraded and Issuer not co-operating*) |
|             | Proposed Bank Facility | Short Term | 22.50 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
|             | Cash Credit            | Long Term  | 35.00 | ACUITE B- (Downgraded and Issuer not co-operating*) |
|             | Post Shipment Credit   | Short Term | 20.00 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
|             | Cash Credit            | Long Term  | 15.00 | ACUITE B- (Downgraded and Issuer not co-operating*) |
|             | Packing Credit         | Short Term | 5.00  | ACUITE A4 (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           | 15.00             | ACUITE D   Downgraded   Issuer not co-operating* |
| Union Bank of India  | Not Applicable | Cash Credit                       | Not Applicable   | Not Applicable | Not Applicable | Simple           | 35.00             | ACUITE D   Downgraded   Issuer not co-operating* |
| Punjab National Bank | Not Applicable | Cash Credit                       | Not Applicable   | Not Applicable | Not Applicable | Simple           | 15.00             | ACUITE D   Downgraded   Issuer not co-operating* |
| Union Bank of India  | Not Applicable | PC/PCFC                           | Not Applicable   | Not Applicable | Not Applicable | Simple           | 5.00              | ACUITE D   Downgraded   Issuer not co-operating* |
| State Bank of India  | Not Applicable | Post Shipment Credit              | Not Applicable   | Not Applicable | Not Applicable | Simple           | 20.00             | ACUITE D   Downgraded   Issuer not co-operating* |
| Not Applicable       | Not Applicable | Proposed Short Term Bank Facility | Not Applicable   | Not Applicable | Not Applicable | Simple           | 22.50             | ACUITE D   Downgraded   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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