

Press Release

BORA AGRO FOODS

December 24, 2019



Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated# | Rs.71.80 Cr. |
| Long Term Rating | ACUITE BB (Downgraded from ACUITE BBB+) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BBB+**' (**read as ACUITE triple B plus**) and the short-term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A2**' (**read as ACUITE A two**) on the Rs.71.80 crore bank facilities of BORA AGRO FOODS (BAF). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

BAF, established in 1996 is a partnership firm promoted by the Bora family that has around five decades of experience in agro food exports. The firm processes sesame, poppy, and other seeds at its manufacturing facilities in Pune and exports them to USA, Europe, and Mexico.

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 due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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)

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.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-----------|---------------------------------|------------|-----------------|---|
| 06-Oct-18 | Working Capital | Long Term | 60.00 | ACUITE BBB+ (Issuer not co-operating)* |
| | Term Loan | Long Term | 7.60 | ACUITE BBB+ (Issuer not co-operating)* |
| | Derivative Exposure | Short Term | 2.20 | ACUITE A2 (Issuer not co-operating)* |
| | Letter of Credit | Short Term | 2.00 | ACUITE A2 (Issuer not co-operating)* |
| 16-Feb-17 | Working Capital | Long Term | 60.00 | ACUITE BBB+ (Issuer not co-operating)* |
| | Term Loan | Long Term | 7.60 | ACUITE BBB+ (Issuer not co-operating)* |
| | Derivative Exposure | Short Term | 2.20 | ACUITE A2 (Issuer not co-operating)* |
| | Letter of Credit | Short Term | 2.00 | ACUITE A2 (Issuer not co-operating)* |
| 09-Aug-15 | Working Capital | Long Term | 60.00 | ACUITE BBB+/ Stable (Assigned) |
| | Term Loan | Long Term | 7.60 | ACUITE BBB+/ Stable (Assigned) |
| | Derivative Exposure | Short Term | 2.20 | ACUITE A2 (Assigned) |
| | Letter of Credit | Short Term | 2.00 | ACUITE A2 (Assigned) |

Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|--|
| Working Capital | Not Applicable | Not Applicable | Not Applicable | 60.00 | ACUITE BB (Downgraded from ACUITE BBB+) Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 7.60 | ACUITE BB (Downgraded from ACUITE BBB+) Issuer not co-operating* |
| Derivative Exposure | Not Applicable | Not Applicable | Not Applicable | 2.20 | ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 2.00 | ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating* |

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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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