

Press Release

Varad Fertilisers Private Limited

May 27, 2020

Rating Downgraded



Total Bank Facilities Rated*	Rs. 17.50 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) to '**ACUITE B+**' (read as **ACUITE B Plus**) to the Rs. 17.50 crore bank facilities of Varad Fertilizers Private Limited (VFPL). This rating is now an indicative rating and is based on best available information.

Varad Fertiliser Private Limited (VFPL) incorporated in 1991 is Maharashtra based company engaged in manufacturing of fertilizers and trading of seeds. The day to day activities are managed by its directors, Mr. Vidyaprakash Onkarlal Agrawal, Mr. Ram Niwas Jagannath Mandhani, Mr. Gopal Motilal Mandhani, Mr. Chandraprakash Lalchand Madhani and Mr. Sanjay Sarda. The company has installed capacity of 100 metric tonnes per day of NPK Fertilizers and 1500 liters per day of bio fertilizers.

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 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>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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). 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.

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

Acuite 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. Crore)	Ratings/Outlook
22-Mar-2019	Cash Credit	Long Term	15.00	ACUITE BB- / Stable (Downgraded from ACUITE BB/Stable)
	Proposed Bank Facility	Long Term	2.50	ACUITE BB- / Stable (Assigned)
09-Jan-2018	Cash Credit	Long Term	17.50	ACUITE BB / Stable (Reaffirmed)
22-Aug-2017	Cash Credit	Long Term	17.50	ACUITE BB (Indicative)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE B+ (Downgraded) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE B+ (Downgraded) Issuer not co-operating*

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

Contacts

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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 8,200 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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