

Press Release

M D Agro Foods

November 14, 2019



Rating Update

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 35.00 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 rating of M D Agro Foods to '**ACUITE B+** (read as Acuité B plus) from '**ACUITE BB-**' (read as Acuité double B minus). The short term rating has been downgraded to '**ACUITE A4**' (read as Acuité A four) from '**ACUITE A4+**' (read as Acuité A four plus). The rating downgrade is on account of information risk.

M D Agro Foods (MDAF) is a Karnal (Haryana) based partnership firm established in 2009 by Mr. Ajay and Mr. Praveen. The firm is engaged in milling of basmati and non-basmati rice. The manufacturing facility is located at Nissing in Karnal (Haryana). The current capacity of the firm is 15 MT per hour and is utilised to the extent of around 60 percent.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of MDAF to arrive at this rating.

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.

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/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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 attempts.

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. Crore) | Ratings/Outlook |
|-------------|---------------------------------|------------|--------------------|------------------------------|
| 12-Sep-2018 | Cash Credit | Long Term | 30.00 | ACUITE BB-/Stable (Assigned) |
| | PC/PCFC | Short Term | 5.00 | ACUITE A4+ (Assigned) |

#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 | 30.00 | ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating* |
| PC/PCFC | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating* |

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

Contacts

| Analytical | Rating Desk |
|---|---|
| Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in | Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in |
| Pallavi Meher Analyst - Rating Operations Tel: 033-66201215 pallavi.meher@acuite.in | |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.