



Press Release

Mahavir Trading Co
September 04, 2024

Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|----------------------|
| Bank Loan Ratings | 12.00 | ACUITE D Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 12.00 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating to **'ACUITE D' (read as ACUITE D)** from **'ACUITE B+' (read as ACUITE B Plus)** on Rs.12.00 Crore bank facilities of Mahavir Trading Co.

The rating continues to be flagged as "Issuer Not Co-operating" and is based on the best available information.

The downgrade is on account of default in repayment of its debt obligation by the company as confirmed from publicly available information.

About the Company

Mahavir Trading Co (MTC) promoted by Mr. Nilesh Savla and his wife, Mrs. Bharti Savla commenced its operations with the establishment in 2011. The firm is engaged in the trading of Cashews (95 percent) and balance is Almonds and Pistachio. Cashews for trading are procured from Mahavir Cashew Industries Sister concern (35- 40 percent) and the balance is procured from all over India. The customers are primarily the wholesalers, retailers and sweet manufacturers spread across Maharashtra and Gujarat. MTC supplies cashews in the Domestic market via network of Brokers with Dmart being its major customer.

About the Group

The group promoted by Mr. Nilesh Savla and his wife, Mrs. Bharti Savla, later on in February, 2016 Mahavir Cashew Industries was set up as a partnership firm headed by Mr. Nilesh Savla, Mrs. Bharti Savla and Mr. Piyush Gogri. The firm is engaged in the processing of cashew kernels. Its partners Mr. Nilesh Savla and Mrs. Bharti Savla have been in the business of trading cashews since the past 7 years. The firm has two units located at Sawantwadi in

Sindhudurg (Maharashtra) and PO Halkarni at Chandgarh District in Kolhapur (Maharashtra). The total capacity of both the units is 12 tons of raw nuts per day and 3.5 tons of finished cashew nuts per day.

Unsupported Rating

Not Applicable

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 noncooperation by the issuer along with 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.

Limitation regarding information availability:

The rating is based on information available from sources other than 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 18 (Actual) | FY 17 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 85.30 | 76.17 |
| PAT | Rs. Cr. | 0.61 | 0.48 |
| PAT Margin | (%) | 0.71 | 0.62 |
| Total Debt/Tangible Net Worth | Times | 4.83 | 3.55 |
| PBDIT/Interest | Times | 1.25 | 1.20 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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, Acuite 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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|---|
| 14 Nov 2023 | Cash Credit | Long Term | 12.00 | ACUITE B+ (Reaffirmed & Issuer not co-operating*) |
| 17 Aug 2022 | Cash Credit | Long Term | 12.00 | ACUITE B+ (Reaffirmed & Issuer not co-operating*) |
| 20 May 2021 | Cash Credit | Long Term | 12.00 | ACUITE B+ (Reaffirmed & 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 |
|---------------------|----------------------|-------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| Union Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 12.00 | ACUITE D Downgraded Issuer not co-operating* (from ACUITE B+) |

Contacts

| Analytical | Rating Desk |
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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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