

Press Release

Mother India Agrofoods Private Limited

December 27, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	16.19	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	16.19	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating from '**ACUITE BB-**' (read as **ACUITE double B minus**) to '**ACUITE B+**' (read as **ACUITE B Plus**) on the Rs.16.19 Cr bank facilities of Mother India Agrofoods Private Limited (MIAPL). This rating is now an indicative rating and is based on best available information. Rating has been downgraded on account of information risk.

About the Company

Incorporated in 2013, MIAPL is a Patna based company promoted by Mr. Chandra Sen Singh and Mr. Ramjee Singh. The Company is engaged in milling and processing of non-basmati rice and its commercial operations began in 2016. MIAPL sells rice locally as well in states of West Bengal, Assam and Uttar Pradesh under its own brand- 'Mother India'. The Company's rice mill is set up in Patna, Bihar with an installed capacity of 8 Tons per hour and operates with around 160 employees.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statement and other information critical for rating exercise from the rated entity. 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. This rating is therefore being flagged as "Issuer not-cooperating", 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 endeavoured 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.

Rating Sensitivities

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

Key Financials:

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

Status of non-cooperation with previous CRA

CRISIL Ratings vide its press release dated December 18, 2020 had denoted the rating of Mother India Agrofoods Private Limited as 'CRISIL B+/Stable; ISSUER NOT COOPERATING'

Any other information

The entity has not shared the latest No Default Statement despite repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
27 Oct 2021	Term Loan	Long Term	1.19	ACUITE BB- Negative (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BB- Negative (Reaffirmed)
06 Feb 2020	Cash Credit	Long Term	15.00	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.19	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE B+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.19	ACUITE B+ 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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