

Press Release

Micromax Informatics Limited

October 18, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 140.00 Cr.
Long Term Rating	ACUITE BB+ (Downgraded; Issue not Cooperating)
Short Term Rating	ACUITE A4+ (Downgraded; Issuer not co-operating)

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB+** (read as ACUITE double B Plus) from '**ACUITE BBB-** (read as ACUITE triple B minus) and short term rating to '**ACUITE A4+**' (read as ACUITE A four plus) from '**ACUITE A3**' (read as ACUITE A three) to the Rs. 140.00 crore bank facilities of Micromax Informatics Limited (MIL). The rating is flagged as "Issuer Not Cooperating" and is based on best available information.

About the company

New Delhi based Micromax Informatics Limited was established in 2000 by Mr. Rajesh Agarwal, Mr. Rahul Sharma, Mr Sumit Kumar and Mr. Vikas Jain. Initially, the company was in the business of manufacturing of fixed wireless terminals and phones and supplying to the telecom industry. In 2008, the company has started trading of mobile phone, tablet, and mobile accessories under the brand name of 'Micromax'. Later in 2012, company diversified its product profile and started trading of LED TV's under the same brand name.

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.

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/view-rating-criteria-52.htm>
- Real Estate Entities- <https://www.acuite.in/view-rating-criteria-63.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.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.

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

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

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
20-Jul-20	Cash Credit	Long term	4.00	ACUITE BBB-/Stable (Assigned)
	Cash Credit	Long term	1.39	ACUITE BBB-/Stable (Assigned)
	Bill Discounting	Short term	1.50	ACUITE A3 (Assigned)
	Letter of Credit	Short term	80.00	ACUITE A3 (Assigned)
	Letter of Credit	Short term	30.00	ACUITE A3 (Assigned)
	Letter of Credit	Short term	23.11	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Lender's Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
State Bank of India	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ (Downgraded; Issuer not co-operating)
Punjab National Bank	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.39	ACUITE BB+ (Downgraded; Issuer not co-operating)
HDFC Bank	Bill Discounting	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ (Downgraded; Issuer not co-operating)
State Bank of India	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	80.00	ACUITE A4+ (Downgraded; Issuer not co-operating)
HDFC Bank	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A4+ (Downgraded; Issuer not co-operating)
Punjab National Bank	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	23.11	ACUITE A4+ (Downgraded; Issuer not co-operating)

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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