

Press Release

Essar Agrotech Limited

April 05, 2023



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.85	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	12.85	-	-

Rating Rationale

Acuite has flagged the issuer **Essar Agrotech Limited (EAL)** as "Issuer not cooperating" due to the failure on the part of the issuer in adhering the withdrawal process as per Acuite Withdrawal Policy. Further, Acuite continues with reaffirmation of the long term rating of **ACUITE D (read as ACUITE D)** to the Rs. 12.85 Cr bank facilities of EAL.

About the Company

EAL was incorporated in 1993 and is a part of Essar Group, a leading industrial group with a significant presence in Energy, Infrastructure, Metals & Mining and Service industries. EAL is currently into production and supplying of Dutch variety of roses for the domestic market through its manufacturing plant situated in Lonavla, Maharashtra.

Non-cooperation by the issuer/borrower

The rating has not be withdrawn by Acuite as the company has not co-operated / adhered to the requirements for withdrawal of ratings under 'Policy on Withdrawal of Ratings' of Acuite. The rating is being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

Not Applicable

Rating Sensitivities

Not Applicable

Material Covenants

Not Applicable

Liquidity Position

Not Applicable.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	1.86	1.34
PAT	Rs. Cr.	(11.14)	(9.68)
PAT Margin	(%)	(597.87)	(724.64)
Total Debt/Tangible Net Worth	Times	7.05	0.13
PBDIT/Interest	Times	(9.94)	(3.49)

Status of non-cooperation with previous CRA

Care Ratings vide its press release dated 27.01.2023, had rated the company to CARE D; INC

Any other information

Acuite is yet to receive 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
07 Jan 2022	Term Loan	Long Term	12.85	ACUITE D (Reaffirmed)
13 Nov 2020	Term Loan	Long Term	12.85	ACUITE D (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
IDBI Bank Ltd.	Not Applicable	Term Loan	Not available	Not available	01 Mar 2023	Simple	12.85	ACUITE D Reaffirmed Issuer not co- operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Thejaswini P V Senior Analyst-Rating Operations Tel: 022-49294065 thejaswini.pv@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

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. Ratings assigned by Acuité 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. Ratings assigned by Acuité 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.