

## Press Release

### Narmada Agrobases Limited

May 14, 2021

#### Rating Downgraded & Withdrawn



<b>Total Bank Facilities Rated*</b>	Rs.7.00 Cr.#
<b>Long Term Rating</b>	ACUITE B+ (Downgraded: Withdrawn) Issuer not co-operating*

#Refer Annexure for details

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

Acuite has withdrawn and downgraded the long term rating to '**ACUITE B+** (read as **ACUITE B Plus**)' From '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.7.00 Crore bank facilities of Narmada Agrobases Limited (NAPL). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and No due certificate received from the banker.

NAPL is a Gujarat-based company incorporated in 2013. The commercial operation started from February, 2014. The company is promoted by Mr. Suresh Chandra Gupta and his son, Mr. Neeraj Agarwal. The company has two business segments. NAPL is engaged in the business of manufacture of delinted cotton seeds and cattle feed. The raw material is purchased from local market from Ahmadabad.

**Non-cooperation by the issuer/borrower:** Acuite 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 Acuite's policies.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuite endeavored 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.

#### Liquidity Indicators:

Liquidity position is in pressure based on the feedback given by the banker.

#### Rating Sensitivity –

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

#### About the Rated Entity- Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	61.58	47.71
PAT	Rs. Cr.	0.79	0.45
PAT Margin	(%)	1.28	0.94
Total Debt/Tangible Net Worth	Times	0.58	0.67
PBDIT/Interest	Times	2.42	2.73

### Status of non-cooperation with previous CRA (if applicable)

NAL's rating was flagged off as Issuer not cooperating with India ratings and research, through its rating rationale dated April 22th, 2019. The reason provided by India ratings and research is non-furnishing of information by NAL.

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
March 12, 2020	Cash Credit	Long Term	4.00	ACUITE BB- (Indicative)
	Term Loan	Long Term	0.50	ACUITE BB- (Indicative)
	Proposed Cash Credit	Long Term	2.50	ACUITE BB- (Indicative)
January 10, 2019	Cash Credit	Long Term	4.00	ACUITE BB- (Indicative)
	Term Loan	Long Term	0.50	ACUITE BB- (Indicative)
	Proposed Cash Credit	Long Term	2.50	ACUITE BB- (Indicative)

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+ (Downgraded: Withdrawn) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	0.50	ACUITE B+ (Downgraded: Withdrawn) Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE B+ (Downgraded: Withdrawn) Issuer not co-operating*

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### About Acuite Ratings & Research:

Acuite 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 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.

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