

Press Release

India Mega Agro Anaj Limited

December 26, 2018

Rating

Sl. No.	Instrument/Facility	Amount (Rs. Crores)	Current Rating	Rating Action
1.	Long Term Fund Based Limits -Cash Credit	137.30	IVR D (IVR D)	Rating revised to IVR D (IVR D) from IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)
2.	Long Term Bank Facilities - Term Loan	58.60		
	Total	195.90		

Details of Facility are in Annexure 1

Detailed Rationale

The rating takes in to account the delays in debt servicing by the company. The liquidity profile of the company continues to remain stressed.

List of Key Rating Drivers

- Stretched liquidity position of the company as reflected by delays in debt servicing

Detailed Description of Key Rating Drivers

Stretched liquidity position of the company

There have been delays in debt servicing in the company on account of deterioration in liquidity position due to stoppage of commercial production in its factory after promoters were accused of diversion of subsidized food grains meant for public distribution system. The management opined that the company has been falsely implicated in this matter due to business rivalry (as the company has grown significantly in the recent past) and personal vendetta.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-Financial Sector)

Criteria on Default Recognition and Post-Default Curing Period



Infomerics Valuation And Rating Pvt. Ltd.

About the Company

India Mega Agro Anaj Ltd. (IMAA) was established in 2010 with a mission to develop the food processing industry on a large scale, being one of the priority areas for governments to boost the Agriculture Sector. The Company has successfully achieved a Mega Status from Government of Maharashtra providing benefits including Sales Tax Exemption, Stamp Duty Exemption, Electricity Duty, PF Reimbursement, etc. The company has land of 1,00,212 sq. metres at 5 Star MIDC, Krushnoor, Dist. Nanded, Maharashtra.

Financials

(Rs. Crores)

For the year ended / As on	31-03-2016	31-03-2017
	Audited	Audited
Total Operating Income	246.7	357.0
EBITDA	17.4	22.2
PAT	6.5	5.0
Total Debt	73.9	95.7
Tangible Net Worth	39.1	46.4
Ratios		
a. EBITDA Margin	7.06	6.21
b. PAT Margin	2.65	1.40
c. Overall Gearing ratio	1.89	2.06

Note: Classification as per Infomerics' standards

The company has not been able to finalise its FY18 accounts hence they have not been provided FY18 numbers.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Name of Instrument/ Facilities	Current Rating (Year 2018-19)				Rating History for the past 3 years		
	Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17	Date(s) & Rating(s) assigned in 2015-16
Term Loan	Long Term	58.60	IVR D (IVR D)	IVR BBB+/Stable Outlook (May 17,2018)	--	--	--
Fund Based Facilities- Cash Credit	Long Term	137.30					



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crores)	Rating Assigned/ Outlook
Term Loan	-	-	May 2026	58.60	IVR D (IVR D)
Fund Based Facilities- Cash Credit	-	-	-	137.30	IVR D (IVR D)