

March 31, 2022

Nova Agri Tech Limited: Moved to Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	24.00	24.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and moved to the 'Issuer Not Cooperating' category
Long Term - Unallocated	3.00	3.00	
Total	27.00	27.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Nova Agri Tech Limited's (NATL) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with NATL, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Rating Methodology for Entities in the Agrochemicals Industry Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	The rating is based consolidated financial statements of Nova Agri Tech Limited and Nova Agri Sciences Pvt. Ltd

About the company

Nova Agri Tech Limited (NATL) was incorporated in 2007 and is into manufacturing and marketing of soil applications, plant growth promoters and micro and macronutrients. It is promoted by Mr. Yeluri Sambasiva Rao and its manufacturing unit is in Siddipet district (Telangana). Nova Agri Sciences Private Limited (NASPL) was incorporated in 2010 and is a 100% owned

subsidiary of Nova Agri Tech Limited. It is promoted by Mr. Mohammed Ali and Mr. Yeluri Sambasiva Rao and the company operates from its unit at Singannaguda, Medak district (Telangana). It is into manufacturing of pesticides and bio-chemicals.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					March 31, 2022			
1	Cash Credit	Long-term	24.00	-	[ICRA]B+ (Stable)	December 11, 2020	-	-
2	Unallocated	Long-term	3.00	-	ISSUER NOT COOPERATING	[ICRA]BB+(Stable)		

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term - Fund Based/ CC	Simple
Long Term - Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs crore)	Current Rating and Outlook
NA	Long Term - Fund Based/ CC	NA	NA	NA	24.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Long Term - Unallocated	NA	NA	NA	3.00	

Source: Company;

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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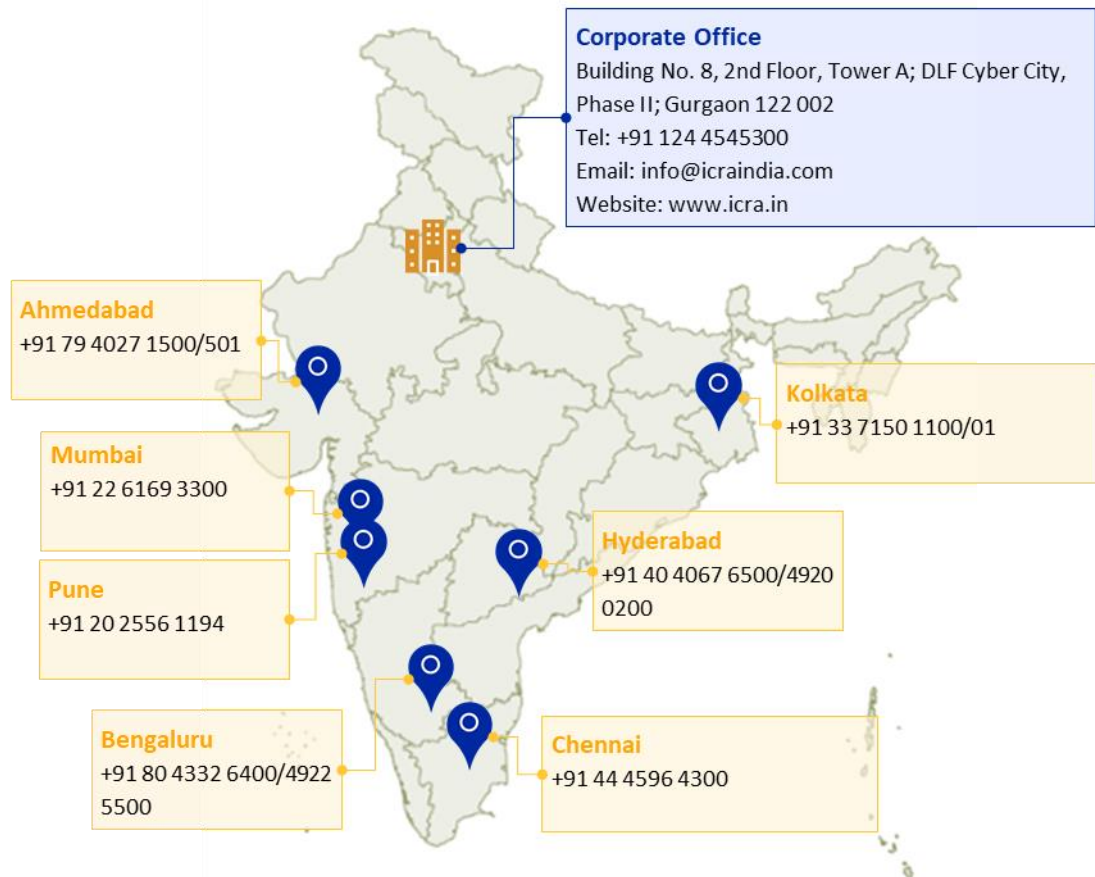
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