



Rating Rationale

ACP Industries Limited

28 Sep 2018

Brickwork Ratings has reviewed the rating for the bank loan facility of Rs. 8.50 crore of ACP Industries Limited, based on best available information, as the issuer did not cooperate. Accordingly the rating for the said bank loan facility is revised to BWR C and continued in the ISSUER NOT COOPERATING* category

Particulars

Facilities	Amount (Rs. Crs)		Tenure	Ratings ¹	
	Previous	Present		Previous	Present
Fund Based Cash Credit	8.50	8.50	Long Term	BWR B- ISSUER NOT COOPERATING* <i>(Pronounced as BWR Single B Minus)</i> Outlook: Stable	BWR C ISSUER NOT COOPERATING* <i>(Pronounced as BWR C)</i> Downgraded & continued in the ISSUER NOT COOPERATING* category
Total	8.50	Rs. 8.50 Crore (Rupees. Eight Crore Fifty Lakh Only)			

Note: Bank wise details of facilities are provided in Annexure I

*Issuer did not cooperate; Based on best available information

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating downgraded and continued in the ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The rating was due for a review in July 2016 and was migrated to the 'Rating Not Reviewed' category in December 2016 due to inadequate information and non cooperation by the company. Despite the best efforts of BWR to get at least the minimum required information for a review, the Company has not provided the same. Hence, based on inadequate information and continued lack of management cooperation, Brickwork Ratings had downgraded and migrated the rating to the ISSUER NOT COOPERATING* category in March 2018. Subsequently also, the company has not provided adequate information for carrying out a review. In view of this and continued lack of management cooperation, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Hence, the rating is further revised to BWR C and continued in the ISSUER NOT COOPERATING* category.



Limitations of the ratings:

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned ratings may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the ratings.

Analytical approach

For arriving at its ratings, Brickwork Ratings has applied its ratings methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

About the Company

ACP Industries Limited was incorporated in September 1995, at Eluru, West Godavari, Andhra Pradesh, with registered office at Basheerbagh, Hyderabad, Telangana. The company is engaged in manufacturing of incense sticks and trading of agro commodities. No financial information has been submitted to BWR for the last three years.

Rating History for the last three years

Sl. No.	Facilities [#]	Current Rating (September 2018)			Rating History			
		Type	Amount (Rs. Cr)	Rating	2018 ¹ (27 th Mar 2018)	2017	2016 ² (31 st Dec 2016)	2015 ³ (14 th Jul 2015)
1	Cash Credit	Long Term	8.50	BWR C ISSUER NOT COOPERATING* <i>Downgraded and continued in the Issuer Not Cooperating* category</i>	BWR B- ISSUER NOT COOPERATING* (Outlook: Stable) <i>Downgraded</i>	-	BWR B (Outlook: Stable) <i>Rating Not Reviewed</i>	BWR B (Outlook: Stable) <i>Assigned</i>
Total			Rs. 8.50 Crore (Rupees. Eight Crore Fifty Lakh Only)					

1 Amount Rated: Rs. 8.50 Crore; 2 Amount Rated: Rs. 8.50 Crore; 3 Amount Rated: Rs. 8.50 Crore

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

The bank loan facility was sanctioned by State Bank of Hyderabad prior to merger with SBI

Status of non-cooperation with other CRA: Not Available

Any other information: Not Applicable



Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)

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Annexure I

ACP Industries Limited Hyderabad, Telangana

Bank [#]	Facilities	Tenure	Amount (Rs. Cr)
State Bank of India Eluru Branch, Eluru West Godavari, Andhra Pradesh	Fund Based: Cash Credit	Long Term	8.50
Total			8.50^{**}

The bank loan facility was sanctioned by State Bank of Hyderabad prior to merger with SBI

** As per information furnished to BWR in July 2015



For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf. Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.