

Rating Rationale

19 Nov 2020

AMBICA CASHEW INDUSTRIES

Brickwork Ratings has reviewed the ratings assigned to the bank loan facilities of Rs. 5.80 crore of the Ambica Cashew Industries based on best available information, as the firm did not cooperate.

Particulars

Facilities [#]	Previous Rated Amount Rs. Crs	Present Rating Amount Rs. Crs	Tenure	Rating ¹	
				Previous Ratings [^]	Present Rating [*]
Fund Based	3.00	3.00	Long Term	BWR B (Stable) Issuer Not Cooperating [*] Downgraded	BWR C Issuer Not Cooperating [*] Downgrade
Non Fund Based	2.80	2.80	Short Term	BWR A4 Issuer Not Cooperating [*] Reaffirmed	BWR A4 Issuer Not Cooperating [*] Reaffirmed
Total	5.80	Rs. 5.80 Crore (Rupees Five Crores and Eighty Lakhs Only)			

**Issuer Not Cooperating: Based on best available information*

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

#Note: Details of Bank facilities are provided in Annexure I

Rating downgraded/reaffirmed and continued to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The ratings were due for a review in October 2020. Brickwork Ratings (BWR) took up with the firm to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the firm has not provided the same. Hence, the ratings were continued to the 'Not Reviewed' category. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid ratings. The firm has not been submitting NDS to BWR. Based on inadequate information and continued lack of management cooperation, Brickwork Ratings has downgraded the long term rating to 'BWR C from BWR B/Stable, reaffirmed the short term rating of BWR A4 and continues to the Issuer Not Cooperating* category.

LIMITATIONS OF THE RATING

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 rating 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 firm arising from its non-transparency withholding of information required for a review of the rating.

About the firm

Ambica Cashew Industries is a proprietorship firm established in 2003, promoted by Smt. Prati Perantala Ammadu, located at Tuni, Andhra Pradesh. The firm is primarily engaged in importing and exporting of cashew and cashew products

No financial information has been submitted to BWR over the last two years

Key Covenants of the facility rated: The terms of sanction include standard covenants normally stipulated for such facilities.

Status of non-cooperation with previous CRA – NA

RATING HISTORY FOR THE LAST THREE YEARS (Including Withdrawn/Suspended)

Sl. No.	Facilities	Current Ratings (2020)			Ratings History		
		Type	Amount (Rs. Cr)	Ratings [^]	(22.10.2019)	(2018)	(28.11.2017)
1	Fund Based	Long Term	3.00	BWR C Issuer Not Cooperating* Downgrade	BWR B/Stable Issuer Not Cooperating* Reaffirmed	-	BWR B Stable Reaffirmed
	Non Fund Based	Short Term	2.80	BWR A4 Issuer Not Cooperating* Reaffirm	BWR A4 Issuer Not Cooperating* Reaffirmed	-	BWR A4 Reaffirmed
Total		Rs. 5.80 Crore (Rupees. Five Crores and Eighty Lakhs Only)					

[^]Not Reviewed the outstanding ratings of BWR B (Stable)/A4 on 1st March 2019.

* Issuer did not cooperate; Based on best available information

Existing Rating From any other CRA: NA

Complexity Levels of the Instruments:

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Manufacturing Companies**
- **Short Term Debt**
- **What Constitutes Non-Cooperation**

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Ambica Cashew Industries
Annexure I: Details of Bank Facilities rated

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1	State Bank of India	Fund Based			
		Cash Credit	1.00	-	1.00
		Demand Loan Against Warehouse	2.00	-	2.00
		Non Fund Based			
		Letter of Credit	2.80	-	2.80
TOTAL - Rupees Five Crores and Eighty Lakhs Only					5.80



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About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. 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.

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.