



## Rating Rationale

### Amruth Industries

17 Mar 2020

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 5.39 Crore of Amruth Industries based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

#### Particulars

Facility	Amount (₹ Crores)		Tenure	Rating *	
	Previous	Present		Previous (Oct, 2017)	Present
<b>Fund Based</b>	5.32	5.32	Long Term	<b>BWR B/ Stable</b>	<b>Issuer Not Cooperating; BWR D (Downgraded)</b>
<b>Non Fund Based</b>	0.07	0.07	Short Term	<b>BWR A4</b>	<b>Issuer Not Cooperating; BWR D (Downgraded)</b>
<b>Total</b>	<b>5.39</b>	<b>5.39</b>	<b>INR Five Crores and Thirty Nine Lakhs only</b>		

\*Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the rating assigned

Note : The rating moved to rating not reviewed category on 14-01-2019.

Issuer did not cooperate; based on best available information

Details of Bank facilities are provided in Annexure - 1.

#### RATING ACTION

Brickwork Ratings has downgraded the ratings to BWR D (Issuer did not Cooperate) for the bank loan facilities of ₹ 5.39 Crores of **Amruth Industries**.

#### OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in Oct, 2018. BWR took up with the issuer to provide required information over emails and through telephone calls. The company was initially assigned a rating of BWR B/A4 “Stable” in Sep,2016, further rating reviewed & reaffirmed at BWR B/A4 “Stable” in Oct, 2017 and moved to Rating Not Reviewed in Jan, 2019. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the company, BWR is unable to assess the company’s financial performance and its ability to service its debt and maintain a valid rating. The industry that the company operates in has strong demand, influencing the company’s Stable Outlook.

**Limitations of the rating:**

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

**About the Company (Information as available in Oct, 2017)**

M/s. Amruth Industries is a family owned partnership firm established in 1992 by Mr. D. G. Benakappa in Shivamogga, Karnataka. The firm is into processing and trading of Par-boiled Non- basmati rice. It procures 95% of its paddy from farmers while the rest is sourced from agents or dealers in South India Finished products are sold directly or through commissioned agents to domestic customers who are mainly located in Southern Karnataka and Kerala. The firm sells its rice under the brand name “Amruth”, which has been in existence since the inception of the firm.

**Rating History for the last three years (including withdrawn/suspended ratings)**

Facility	Current Rating (2020)			Rating History		
	Type	Amount (₹ Cr)	Rating <sup>^</sup>	14.01.2019	2018	13.10.2017
<b>Fund Based</b>	Long Term	5.32	<b>Issuer Not Cooperating; BWR D (Downgraded)</b>	<b>Rating Not Reviewed</b>	<b>Not Rated</b>	<b>BWR B/ Stable</b>
<b>Non Fund Based</b>	Short Term	0.07	<b>Issuer Not Cooperating; BWR D (Downgraded)</b>	<b>Rating Not Reviewed</b>	<b>Not Rated</b>	<b>BWR A4</b>
<b>Total</b>		<b>5.39</b>	<b>INR Five Crores and Thirty Nine Lakhs only</b>			

<sup>^</sup>Issuer did not cooperate; based on best available information

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

**Any other information : Nil**

**Hyperlink/Reference to applicable Criteria**

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

For any other criteria obtain [hyperlinks](#) from website

**Amruth Industries**  
**Annexure I**

Particulars	Units	2016(A)	2015(A)
Net Sales/Revenues	₹ Cr	19.00	19.48
EBIDTA	₹ Cr	1.03	0.86
PAT	₹ Cr	0.22	(0.23)
Tangible Networth	₹ Cr	0.92	0.73
Total Debt : TNW	Times	6.28	8.41
Current Ratio	Times	0.91	0.90

*Note: As per information available with BWR*

Analytical Contacts	Investor and Media Relations
<p><b>Srinivasa Rao. G</b> Primary Analyst +91 80 4040 9940 Ext: 319 <a href="mailto:srinivasarao.g@brickworkratings.com">srinivasarao.g@brickworkratings.com</a></p> <p><b>K Nagaraj</b> [Assoc. Director– Ratings] +91 80 4040 9940 Ext: 372 <a href="mailto:nagaraj.ks@brickworkratings.com">nagaraj.ks@brickworkratings.com</a></p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 <a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p>

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**Details of Bank Facilities rated by BWR**

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Canara Bank, SME Branch, Shimoga	OCC/ODBD	5.00	-	5.00
2		Term Loan	0.32	-	0.32
3		Bank Guarantee	-	0.07	0.07
<b>TOTAL</b>					<b>5.39</b>

**Rupees Five Crores and Thirty Nine Lakhs only.**