



Rating Rationale

Anusri Cashewes

28th July 2017

Brickwork Ratings assigns “BWR B (Stable)” for the Bank Loan facilities aggregating Rs. 29.87 Crs of Anusri Cashewes (‘AC’ or the Firm)

Particulars

Facility Rated	Amount (Rs. Crs)#	Tenure	Rating [^]
<u>Fund Based</u>			
Open Cash Credit	26.00	Long Term	BWR B (Pronounced BWR Single B) Outlook: Stable Assigned
Term Loan	3.87*		
Total	29.87 (INR Twenty Nine Crores Eighty Seven Lakhs Only)		

[^] Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Term Loan outstanding as on 30th June 2017

Annexure-I provides details of bank wise facilities

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the projections upto FY19, publicly available information and information/clarifications provided by the management.

The rating draws comfort from the experience of the partners in the cashew processing industry and established relationships with the customers through group associates such as Sri Lalithadevi Cashew Products and Surya Sree Cashew Products. The rating, however, is constrained by the nascent and small scale of operations, vulnerability to volatility in cashew prices, working capital intensive business and intense competition from organised as well as unorganised players in the cashew processing industry.

Going forward, the firm’s ability to stabilize and increase its scale of operations, strengthen its overall credit profile and effectively manage its working capital requirements would be the key rating sensitivities.



Rating Outlook: Stable

BWR believes 'AC's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit margins show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and margins show lower than expected figures.

About the Firm

M/s. Anusri Cashewes was established as a partnership firm in September 2016 at Bhupalapatnam, Rajanagaram Mandal, Andhra Pradesh. The Firm commenced its business operations from May 2017. The Firm is engaged in the processing of raw cashew nuts into cashew kernels and trading and exports of cashew and its byproducts such as cashew husks, shells etc. The manufacturing unit at Bhupalapatnam, Andhra Pradesh has an installed capacity of 500 bags per day (80 kgs per Bag).

Mr. Karri Srinivasa Reddy, Mr. Tetali Sudhakara Reddy, Mr. Karri Anuradha, Mr. Karri Venkata Bulli Reddy and Mr. Nallamilli Manikanta Reddy are the partners of the Firm. The associate entities are Sri Lalithadevi Cashew Products [rated BWR B (Stable)] and Surya Sree Cashew Products [rated BWR BB- (Stable)] .

Financial Performance

The Firm has commenced commercial operations in May 2017 and FY18 is the first year of operation.

Rating History for the last three years:

Instrument/ Facility	Current Rating (July 2017)			Rating History		
	Type	Amount (Rs. Crs)	Rating	2016	2015	2014
Fund Based Open Cash Credit	Long Term	26.00	BWR B (Pronounced BWR Single B) Outlook: Stable Assigned	Not Rated	Not Rated	Not Rated
Term Loan		3.87				

Status of non-cooperation with previous CRA : Not Applicable



Any other Information: Not Applicable

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|---|------------------|---|------------------------|
| <p>Hyperlink/Reference</p> <ul style="list-style-type: none"> • General Criteria • Manufacturing Companies • Trading Entities | <p>to</p> | <p>applicable</p> <ul style="list-style-type: none"> • Approach to Financial Ratios | <p>Criteria</p> |
|---|------------------|---|------------------------|

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Annexure I – Details of Rated Facilities

Name of Bank	Bank Facilities	Type of Facility	Tenure	Amount (Rs. Crs)
Andhra Bank, Danavaipeta Branch, Rajahmundry	Open Cash Credit	Fund Based	Long Term	26.00
	Term Loan			3.87
Total				29.87

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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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