

RATING RATIONALE

28 October 2020

Ashta Lakshmi Rice Industry

Brickwork Ratings Downgrades the ratings for long term facilities of Rs 6.00 Crs and reaffirmed the rating for short term facilities of Rs.3.00 crs of Ashta Lakshmi Rice Industry based on best available information, as the issuer did not cooperate.

Particulars

Facilities	Amount (₹ Cr)		Tenure	Rating#	
	Previous (Nov,2018)	Present		Previous (Nov,2018)	Present
Fund Based: Cash Credit	6.00	6.00	Long Term	BWR B- Issuer Non Cooperation* Stable	BWR C+ Issuer Non Cooperation* (Downgrade)
Non-Fund Based: Bank Guarantee	3.00	3.00	Short Term	BWR A4 Issuer Non Cooperation*	BWR A4 Issuer Non Cooperation* (Reaffirmed0)
Total	9.00	9.00	INR Nine crores only		

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

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

Details of Bank facilities is provided in Annexure -I

RATING ACTION/ NON-COOPERATION

Brickwork Ratings downgrades the ratings from BWR B- to BWR C+ for the long term facilities of Rs. 6.00 Crs and the rating is reaffirmed to BWR A4 for short term facilities of Ashta Lakshmi Rice Industry; Issuer Non Cooperation, based on best available information.



BWR had initially rated the bank loan facilities of Ashta Lakshmi Rice Industry on 20.8.15, with rating assigned as BWR B+(stable) for Rs.9.25 Crs. The rating was due for a review during 2016. The rating was downgraded to BWR B/A4 for Rs.9.00 crs and was due for review in 2017. The rating was reaffirmed on 2.8.17 and became due for 2018. The rating was then moved to Rating not reviewed during 2018. The client didn't share the documents therefore, it moved to Issuer Non-Cooperation on 20.11.18 with the rating BWR B-/A4.

BWR further took up with the issuer to provide required complete information over emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. Hence on account of inadequate information and lack of management cooperation and with the available information on public domain, BWR recommends downgrading the rating and categorizing under Issuer Non-Cooperation. The NDS of last 12 months was also not submitted by them.

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

M/s Ashta Lakshmi Rice Industry was established in the year 2010 as a partnership firm located at Mandapeta, Andhra Pradesh .The firm is promoted By Mr. G Krishna Murthy and other 19 members of the family are other partners. Firm is engaged in the business of processing and trading of rice and other by products in the domestic market. The firm has its manufacturing unit located at Mandapeta, Andhra Pradesh with a Processing capacity of 4 Metric tons per hour.' The firm markets its products under the brand name of 'ALR'.

NON-COOPERATION WITH PREVIOUS RATING AGENCY (IF ANY): NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating (2020)			FY19	FY18	FY17
	Tenure	Amount (Rs. Cr)	Rating			
Cash Credit	Long Term	6.00	BWR C+ Issuer Non Cooperation (Downgrade)	--	BWR B- Issuer Non Cooperation (Stable)	BWR B (Stable)
Bank Guarantee	Short Term	3.00	BWR A4 Issuer Non Cooperation	--	BWR A4 Issuer Non Cooperation	BWR A4
Total		9.00				

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**

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Ashta Lakshmi Rice Industry
ANNEXURE I
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	Andhra Bank	Cash Credit	6.00		6.00
2		Bank Guarantee		3.00	3.00
	Total			9.00 (Nine crores only)	

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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.

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