



## Rating Rationale

28 Jan 2020

### Ashutosh Foods

**Brickwork Ratings downgrades the rating and places it under issuer not cooperating for the Bank Loan Facilities of Rs. 49 Cr of Ashutosh Foods.**

#### Particulars

| Issue                     | Amount Rated<br>(Rs. Cr) |              | Tenure                           | Previous History<br>(07 Mar 2019) | Present Rating <sup>^</sup>                        |
|---------------------------|--------------------------|--------------|----------------------------------|-----------------------------------|--|
|                           | Previous                 | Present      |                                  |                                   |  |
| <b>Fund Based</b>         |                          |              |                                  |                                   |  |
| CC (Hyp & BD)             | 44.00                    | 44.00        | Long Term                        | BWR BB<br>(Stable)                | BWR D<br>(Issuer Not<br>Cooperating)*<br>Downgrade |
| PCL<br>(Sub limit of CC)  | (20.00)                  | (20.00)      | Short term                       | BWR A4+                           |  |
| FOBP<br>(Sub Limit of CC) | (20.00)                  | (20.00)      |                                  |                                   |  |
| PCFC<br>(Sub Limit of CC) | (20.00)                  | (20.00)      |                                  |                                   |  |
| WHR                       | 5.00                     | 5.00         |                                  |                                   |  |
| <b>Total</b>              | <b>49.00</b>             | <b>49.00</b> | <b>Rs.Forty-Nine Crores Only</b> |                                   |  |

<sup>^</sup>Please refer to the BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings.

\*Issuer Did Not Cooperate, BASed on Best Available Information.

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR last rated the bank loan facilities of Ashutosh Foods ('the firm') on 07 Mar 2019. However, the firm has neither submitted to us the audited balance sheet for FY19, to enable to carry out a surveillance review, nor has been submitting NDS (No Default Statement) on a monthly basis, despite repeated reminders (the last email was sent to the client on 09 Jan 2019). Non Receipt of NDS was also published on [www.brickworkratings.com](http://www.brickworkratings.com).

On a follow up with lenders, BWR was informed that the accounts of the firm were classified as SMA1 due to the inability of the firm to service accrued interest. Hence BWR downgrades the rating to BWR D and categorizes it under issuer non-cooperation.

#### Analytical Approach

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



**About the Firm (Information as available in Mar 2019)**

Karnal based Ashutosh Foods was established in 2004 and is currently being managed by Mr.Sushil Kumar and Mr. Ashish Singla. The firm is engaged in the processing and export of superior basmati rice, and its manufacturing unit is located at Karnal with the installed capacity of 200 MTPD.

**Firm's Financial Performance**

| Key Financials     |            |             |             |
|--------------------|------------|-------------|-------------|
| Result Type        | Units      | 31/Mar/2017 | 31/Mar/2018 |
|                    |            | Audited     | Audited     |
| TOI                | Rs. in Crs | 257.43      | 274.96      |
| OPBDIT             | Rs. in Crs | 8.54        | 8.47        |
| PAT                | Rs. in Crs | 0.72        | 0.77        |
| Tangible Net Worth | Rs. in Crs | 9.83        | 10.17       |
| TOL/TNW            | Times      | 11.62       | 7.82        |
| Current Ratio      | Times      | 9.83        | 10.17       |

**Rating History for the last three years (including withdrawn and suspended rating).**

| Facilities             | Present Rating (2020)  |                           |                                 | Rating History  |      |               |
|------------------------|------------------------|---------------------------|---------------------------------|---|------|---------------|
|                        | Rated Amount (Rs. Crs) | Tenure                    | Rating                          | 2019  | 2018 | 27 Oct 2017   |
| Fund based             |                        |                           |                                 |   |      |               |
| CC (Hyp & BD)          | 44.00                  | Long Term                 | BWR D (Issuer Not Cooperating*) | 07 Mar 2019<br>BWR BB Stable<br>Reaffirmation<br><br>28 Jan 2019<br>Rating Not Reviewed<br>Advisory | NA   | BWR BB Stable |
| PCL (Sub limit of CC)  | (20.00)                | Short Term                | BWR D (Issuer Not Cooperating*) | 07 Mar 2019   | NA   | BWR A4+       |
| FOBP (Sub Limit of CC) | (20.00)                |                           |                                 | BWR A4+ Reaffirmation   |      |               |
| PCFC (Sub Limit of CC) | (20.00)                |                           |                                 | 28 Jan 2019   |      |               |
| WHR                    | 5.00                   |                           |                                 | Rating Not Reviewed<br>Advisory   |      |               |
| Total                  | 49.00                  | Rs.Forty-Nine Crores Only |                                 |   |      |               |

\*Issuer Did Not Cooperate, Based on Best Available Information

**Hyperlink/Reference to applicable Criteria**

[General Criteria](#)

[Approach to Financial Ratios](#)

- [Manufacturing Industry](#)

[Short Term Debt](#)

For any other criteria obtain hyperlinks from the website.

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**Ashutosh Foods**

**ANNEXURE I**

**Details of Bank Facilities rated by BWR**

| Sl. No.      | Name of the Bank     | Type of Facilities        | Long Term<br>(₹ Cr) | Short Term<br>(₹ Cr) | Total<br>(₹ Cr) |
|--------------|----------------------|---------------------------|---------------------|----------------------|-----------------|
| 1            | Punjab National Bank | CC (Hyp & BD)             | 31.25               | -                    | 44.00           |
| 2            |                      | PCL<br>(Sub limit of CC)  | -                   | (20.00)              | (20.00)         |
| 3            |                      | FOBP<br>(Sub Limit of CC) | -                   | (20.00)              | (20.00)         |
| 4            |                      | PCFC<br>(Sub Limit of CC) | -                   | (20.00)              | (20.00)         |
| 5            |                      | WHR                       | -                   | 5.00                 | 5.00            |
| <b>TOTAL</b> |                      |                           |                     |                      | <b>49.00</b>    |

**Total: Rs.Forty-Nine Crores Only.**



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