

April 27, 2023

Asian Food Industries: Moved to Issuer Not Cooperating category; Ratings downgraded based on best available information

Summary of rating action

Instrument**	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term/Short term – Export Packing Credit/PCFC/FBD [^]	110.00	110.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING /[ICRA]A4+ ISSUER NOT COOPERATING*; Ratings downgraded from [ICRA]BBB-(Stable)/[ICRA]A3 and moved to 'Issuer Not Cooperating' category
Short term – non-Fund based – PSR Limit	10.00	10.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Ratings downgraded from [ICRA]A3 and moved to 'Issuer Not Cooperating' category
Long term/Short term – Unallocated Limits	25.00	25.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING /[ICRA]A4+ ISSUER NOT COOPERATING*; Ratings downgraded from [ICRA]BBB-(Stable)/[ICRA]A3 and moved to 'Issuer Not Cooperating' category
Total	145.00	145.00	

**Instrument details are provided in Annexure-1; [^]Includes Rs. 41.00 crore as sublimit in the form of CC and Rs. 25.00 crore in the form of overdraft; PCFC-Packing Credit in Foreign Currency, FBD-Foreign Bill Discounting, PSR-Pre-Settlement Risk; * Issuer did not cooperate; based on best available information.

Rationale

The rating downgrade considers the lack of adequate information regarding **Asian Food Industries' (AFI)** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with **AFI**, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities and key financial indicators: [Click here](#). ICRA is unable to provide this information due to non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non - cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of the rated entity

About the company

Incorporated in 2000, Asian Food Industries processes and trades basic spices including chilli, turmeric, cumin, coriander, tamarind, fennel seeds, fenugreek and papad. The firm makes major sales in the export market. The processing facility of the firm is located at Dabhan in Nadiad, Gujarat.

The firm is managed by partners, Mr. Kumarlal M. Tahiliani and his son, Mr. Ajay K. Tahiliani. The partners have extensive experience in the spices business and own Appolo Sesame Industries, which processes sesame seeds.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years				
			Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2023 (Rs. crore)	Date & Rating in FY2024	Date & Rating in			
						FY2022	FY2021	FY2020	
					April 27, 2023	Mar 17, 2022	Apr 08, 2021	Apr 07, 2020	
1	Export Packing Credit/PCFC/FBD	Long-term/Short-term	110.00	NA	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING / [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)/[ICRA]A3	[ICRA]BBB- (Stable)/[ICRA]A3	[ICRA]BBB- (Stable)/[ICRA]A3	-
2	PSR Limit	Short-term	10.00	NA	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3	[ICRA]A3	[ICRA]A3	-
3	Unallocated Limits	Long-term/Short-term	25.00	NA	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING / [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)/[ICRA]A3	[ICRA]BBB- (Stable)/[ICRA]A3	[ICRA]BBB- (Stable)/[ICRA]A3	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term/Short term – Export Packing Credit/PCFC/FBD	Simple
Short term – PSR Limit	Very Simple
Long term/Short term – Unallocated Limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Export Packing Credit/PCFC/FBD	NA	NA	NA	110.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING /[ICRA]A4+ ISSUER NOT COOPERATING
NA	PSR Limit	NA	NA	NA	10.00	[ICRA]A4+ ISSUER NOT COOPERATING
NA	Unallocated Limits	NA	NA	NA	25.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING /[ICRA]A4+ ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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