

June 24, 2024

## Asian Food Industries: Continues to remain under issuer Non-Cooperating category, Rating 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 <sup>^</sup>	110.00	110.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable); ISSUER NOT COOPERATING/[ICRA]A4+; ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Long Term/ Short Term – Unallocated Limits	25.00	25.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable); ISSUER NOT COOPERATING/[ICRA]A4+; ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Short Term – Non-Fund Based – PSR Limit	10.00	10.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded From [ICRA]A4+; ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
<b>Total</b>	<b>145.00</b>	<b>145.00</b>	

\*\*Instrument details are provided in Annexure-1; <sup>^</sup>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 is attributable to the lack of adequate information regarding Asian Food Industries 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](http://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 Asian Food Industries, 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 continued to the “Issuer Not Cooperating” category. The rating is based on the best available information.

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

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## About the company

In 1986, Mr. Kumarlal Tahiliani founded the firm Indian Exporters to process and export chilli and turmeric along with other basic spices. Later, in the year 2000, with the change in partners, Indian Exporters was renamed to Asian Food Industries (AFI). Currently, the firm is engaged in the processing and trading of basic spices including chilli, turmeric, cumin, coriander, tamarind, fennel seeds, fenugreek and papad among others. The firm makes major sales in the export market. The manufacturing/processing facility of the firm is located at Dabhan, Nadiad, Gujarat. Asian Food Industries is registered with Spices Board India, Directorate General of Foreign Trade (DGFT), Agricultural and Processed Food Products Export Development Authority (APEDA) and Federation of Indian Export Organisations (FIEO).

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2022		Date & Rating in FY 2021
					June 24, 2024	Apr 27, 2023	Mar 17, 2022	Apr 08, 2021	Apr 07, 2020
1	Export Packing Credit/PCFC/FBD	Long/Short Term	110.00	-	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING/[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)/[ICRA]A3	[ICRA]BBB-(Stable)/[ICRA]A3	[ICRA]BBB-(Stable)/[ICRA]A3
2	Unallocated	Long/Short Term	25.00	-	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING/[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)/[ICRA]A3	[ICRA]BBB-(Stable)/[ICRA]A3	[ICRA]BBB-(Stable)/[ICRA]A3
3	PSR Limit	Short Term	10.00	-	[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3	[ICRA]A3	[ICRA]A3

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term/ Short Term – Export Packing Credit/PCFC/FBD	Simple
Long Term/ Short Term – Unallocated Limits	Not Applicable
Short Term – Non-Fund Based – PSR Limit	Very Simple

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, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term/ Short Term – Export Packing Credit/ PCFC /FBD	-	-	-	110.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4;ISSUER NOT COOPERATING
NA	Long Term/ Short Term – Unallocated Limits	-	-	-	25.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING / [ICRA]A4;ISSUER NOT COOPERATING
NA	Short Term – Non-Fund Based – PSR Limit	-	-	-	10.00	[ICRA]A4;ISSUER NOT COOPERATING

Source: Asian Food Industries

### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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