

Anik Industries Limited

September 01, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00 (Reduced from 15.00)	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed
Short Term Bank Facilities	68.00 (Reduced from 165.00)	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn
Total Bank Facilities	78.00 (Rs. Seventy-Eight Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The ratings assigned to bank facilities of Anik Industries Limited (AIL) continue to take into account on-going delays in its debt servicing obligation owing to poor liquidity.

Rating Sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- The ability of the company to meet its debt obligation in timely manner for a period of at least consecutive three months.

Negative Factors- Not Applicable

Detailed description of the key rating drivers

Key rating weaknesses

On-going delays in debt servicing

As per results published on stock exchange for quarter ended June 30, 2022, there has been instance of Letter of Credit (LC) devolvement. Furthermore, one of the lenders also informed that there were instances of LC devolvement in the month of June and August 2022.

Liquidity: Poor

The company's liquidity remained poor marked by delays in servicing of debt obligations.

Analytical approach: Standalone

Applicable criteria

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Wholesale Trading](#)

[Short Term Instruments](#)

[Policy on Withdrawal of Ratings](#)

About the company

Incorporated in 1976, AIL is engaged in commodity trading and real-estate development, after sale of its dairy business in September 2016. AIL trades in agro commodities such as edible oils, soya bean and wheat. It also engages in trading of other commodities such as coal and also imports crude palm oil and sells the same in bulk after getting it refined through third party refineries

Brief Financials (Rs. crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (Prov.)
Total operating income	150.63	243.60	55.69
PBILD	17.86	2.53	4.78
PAT	4.57	10.03	5.70
Overall gearing (times)	0.39	0.15	NA
Interest coverage (times)	1.67	0.37	14.48

A: Audited, Prov.: Provisional, NA: Not Available

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Brickwork, vide its press release dated March 24, 2022, continued to place the ratings of AIL under issuer non-cooperating category in absence of requisite information from the company to carry out a review.

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Term Loan-Long Term	-	-	-	0.00	Withdrawn
Fund-based-Long Term	-	-	-	10.00	CARE D
Non-fund-based-Short Term	-	-	-	68.00	CARE D
Fund-based - ST-Working Capital Demand loan	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Term Loan-Long Term	LT	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE C; ISSUER NOT COOPERATING* (09-Jul-19)
2	Fund-based-Long Term	LT	10.00	CARE D	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE C; ISSUER NOT COOPERATING* (09-Jul-19)
3	Non-fund-based-Short Term	ST	68.00	CARE D	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE A4; ISSUER NOT COOPERATING* (09-Jul-19)
4	Fund-based - ST-Working Capital Demand loan	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (19-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE A4; ISSUER NOT COOPERATING* (09-Jul-19)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - ST-Working Capital Demand loan	Simple
2	Fund-based-Long Term	Simple
3	Non-fund-based-Short Term	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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