

Fox Cashew Industries

January 28, 2022

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|------------------------------|--------------------------------------|---|---|
| Long Term Bank Facilities | 6.00 | CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable) |
| Total Bank Facilities | 6.00 (Rs. Six Crore Only) | | |

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 22, 2021, placed the rating(s) of Fox Cashew Industries (FCI) under the 'issuer non-cooperating' category as FCI had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. FCI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 08, 2021, December 18, 2021 and December 28, 2021.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of FCI have been revised on account of non-availability of requisite information.

Detailed description of the key rating drivers

Please refer to PR dated [January 22, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Fox Cashew Industries (FCI) was established in the year 2009 as proprietorship firm by Mrs. Janet Pais. The firm is engaged in processing of raw cashew nut into cashew kernels with installed capacity of 4 tons per day at Valpady, Karnataka. The 3 Press Release process involves steam roasting, shell cutting, peeling and grading. The firm majorly procures raw material (raw cashew nuts) from African countries like Benin, Togo, Ivory Coast, and Tanzania etc. The firm imports 100% of the raw cashew nut (70% of total purchases) owing to better quality and relatively lower prices as compared to the domestic market. The firm is also engaged in trading of cashew kernels. The firm purchases the cashew kernels for trading from the local traders in Karnataka. The firm sells the cashew kernels to wholesalers in the state of Karnataka and Gujarat. The firm also generates income from sale of by-products cashew shells, cashew husk and rejections.

| Brief Financials (Rs. crore) | FY20 (A) | FY21(A) | 9MFY22 (Prov.) |
|------------------------------|----------|---------|----------------|
| Total operating income | NA | NA | NA |
| PBILDT | NA | NA | NA |
| PAT | NA | NA | NA |
| Overall gearing (times) | NA | NA | NA |
| Interest Coverage (times) | NA | NA | NA |

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

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

*Issuer did not cooperate; Based on best available information

Covenants of rated instrument/facility: Annexure-3

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

Annexure-1: Details of Instruments / Facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|-----------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Cash Credit | | - | - | - | 6.00 | CARE B-; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating history | | | |
|---------|--|-----------------|--------------------------------|--|---|--|---|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2021-2022 | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 |
| 1 | Fund-based - LT-Cash Credit | LT | 6.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Jan-21) | 1)CARE B+; Stable (20-Jan-20) | 1)CARE B+; Stable (20-Dec-18) |

*Issuer did not cooperate; based on best available information

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

Annexure 4: Complexity level of various instruments rated for this firm

| Sr. No | Name of instrument | Complexity level |
|--------|-----------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |

Annexure 5: Bank Lender Details for this firm

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

Note on complexity levels of the rated instrument: CARE 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 CARE Ratings:

Established in 1993, CARE Ratings Ltd is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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