

Anik Industries Limited

June 19, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	65.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	175.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total Facilities	240.00 (Rupees Two Hundred and Forty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 15, 2019, placed the rating(s) of Anik Industries Ltd. (AIL) under the 'issuer non-cooperating' category as AIL 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. AIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated June 5, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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).

Detailed description of the key rating drivers

At the time of last rating on August 21, 2019, following were the rating weaknesses (updated for the published results & filings available from Bombay Stock Exchange and feedback received from lenders):

Key Rating Weaknesses

Ongoing delay in debt servicing:

As per telephonic interaction with one of the lenders of AIL, there were recent delays in debt servicing by the company. Also, in its filing on the stock exchange dated June 13, 2020, management of AIL has stated that the lockdown announced due to the Covid-19 pandemic has adversely impacted AIL's liquidity and resulted in delay in debt servicing. AIL's management has informed that there are on-going over-drawings in the fund based working capital limits due to tight liquidity following cash loss reported in FY19 (A) and 9MFY20 (Prov.) results.

Analytical approach: Standalone

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology - Wholesale Trading](#)

[Financial Ratios - Non Financial Sector](#)

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. In the real estate segment, AIL is developing a commercial cum residential real estate project in Kolkata, which is scheduled to be completed by December 2020.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	613.81	615.38
PBILDT	8.48	-9.04
PAT	13.84	-15.20
Overall gearing (times)	0.24	0.26
Interest coverage (times)	0.68	-ve

A: Audited; -ve: Negative

Furthermore, as per 9MFY20 published results, AIL reported a TOI of Rs.412.78 crore and net loss of Rs.1.19 crore as against TOI of Rs.409.31 crore and net loss of Rs.3.07 crore reported during 9MFY19.

Status of non-cooperation with previous CRA: Brickwork, vide its press release dated August 27, 2018, has placed 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 last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	March 2019	^50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based-Long Term	-	-	-	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based-Short Term	-	-	-	165.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - ST-Working Capital Demand loan	-	-	-	10.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

[^]Maturity date for part facility is March 2019; Balance amount is proposed

*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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Term Loan-Long Term	LT	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE C; ISSUER NOT COOPERATING* (09-Jul-19)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (15-Mar-19) 2)CARE BB+ (Under Credit watch with Negative Implications) (18-Feb-19) 3)CARE BB+; Stable (06-Apr-18)	-
2.	Fund-based-Long Term	LT	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE C; ISSUER NOT COOPERATING* (09-Jul-19)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (15-Mar-19) 2)CARE BB+ (Under Credit watch with Negative Implications) (18-Feb-19) 3)CARE BB+; Stable (06-Apr-18)	-
3.	Non-fund-based-Short Term	ST	165.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE A4; ISSUER NOT COOPERATING* (09-Jul-19)	1)CARE A4; ISSUER NOT COOPERATING* (15-Mar-19) 2)CARE A4 (Under Credit watch with Negative Implications) (18-Feb-19) 3)CARE A4 (06-Apr-18)	-
4.	Fund-based - ST-Working Capital Demand loan	ST	10.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) 2)CARE A4; ISSUER NOT COOPERATING* (09-Jul-19)	1)CARE A4; ISSUER NOT COOPERATING* (15-Mar-19) 2)CARE A4 (Under Credit watch with Negative Implications) (18-Feb-19) 3)CARE A4 (06-Apr-18)	-

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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