

Press Release

Aico Foods Limited

January 20, 2023



Rating Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	20.30	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	0.50	-	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	20.80	-	-

Rating Rationale

Acuite has reaffirmed & withdrawn the long-term rating of of '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 20.80 crore bank facilities of Aico Foods Limited (AFL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings after receiving the client's request and the NOC from the banker.

About the Company

The Gujarat-based Aico Foods Limited (the erstwhile Aico Finance Limited) incorporated in 1995 manufactures and sells Khakra (snack) to local customers in Ahmedabad under the Rajhans brand name. The company also caters to Future Consumers Limited. The company plans to expand capacity and manufacture instant noodles, tortilla chips and flavoured makhana.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer notcooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions

lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The entity has not shared the latest financial statement for Acuite to comment

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Nov 2021	Term Loan	Long Term	15.55	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.75	ACUITE B+ (Issuer not co-operating*)

25 Aug 2020	Proposed Bank Facility	Long Term	0.75	ACUITE B+ (Issuer not co- operating*)
	Cash Credit	Long Term	4.00	ACUITE B+ (Issuer not co- operating*)
	Term Loan	Long Term	15.55	ACUITE B+ (Issuer not co- operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Issuer not co- operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.75	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	15.55	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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