

Press Release

T R V Cashew Company

October 17, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.20	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	9.20	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.9.20 crore bank facilities of T R V Cashew Company. The rating is now an indicative rating and is based on the best available information. The rating is downgraded on account of information risk.

About the Company

Established in 2006 as a proprietorship entity by Mr. B. Yuvaraj, TRV Cashew Company (TRV) is primarily engaged in processing of raw cashew nuts into kernels, and is also engaged in trading of raw cashew nuts and other types of nuts in a smaller proportion. The entity sells its products by way of retail sales through its retail outlets (4 of which are located in Chennai and 5 in other cities of Tamil Nadu) and to other wholesalers majorly in Southern India. On the other hand, the primary raw material viz. raw cashew nuts are majorly procured from its group entity viz. Ronald Leeman Commodities (RLC).

About the Group

Established in 2016 as a partnership firm by Mr. B. Yuvaraj with his wife – Mrs. Y. Nithyeswari, Ronald Leeman Commodities (RLC) is primarily engaged in trading of raw cashew nuts, and is also engaged in processing of raw cashew nuts into kernels and trading of other types of nuts in a smaller proportion. The firm sells its products majorly to its group entity viz. TRV Cashew Company (TRV) and to other wholesalers majorly in Southern India. On the other hand, the raw cashew nuts are procured from other wholesalers majorly in Southern India.

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 an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", 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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"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

Key Financials:

The issuer has not provided with the latest financial statement to comment upon.

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Dec 2021	Secured Overdraft	Long Term	6.50	ACUITE BB- Stable (Assigned)
	Secured Overdraft	Long Term	1.50	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.20	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE B+ Downgraded Issuer not co-operating*
Indian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B+ Downgraded Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	7.50	31-10-2024	1.20	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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