



## Rating Rationale

29 July 2020

J.R. Foods Ltd

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.36.33 Crores of J.R.Foods Limited based on best available information, as the Company did not cooperate**

### Particulars

Facility	Previous (Rs. Crs)	Present (Rs. Crs)	Tenure	Previous Rating <sup>^</sup> 11 June 2019	Rating <sup>1</sup>
<b>Fund Based</b> Term Loan Cash Credit	1.83 8.00	1.83 8.00	Long Term	<b>BWR D</b> <b>Issuer Not</b> <b>Cooperating*</b>	<b>BWR D</b> <b>Issuer Not Cooperating*</b> <b>Reaffirmed</b>
<b>Non Fund Based</b> Bank Guarantee FLC	1.50 25.00	1.50 25.00	Short Term		
<b>Total</b>	36.33	36.33	<b>Rupees Thirty Six Crores and Thirty Three Lakhs Only</b>		

<sup>1</sup>Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate; Based on best available information; #Annexure I provides details of bank facilities

### Rating Action/Nature Of Non-cooperation

The ratings for the bank loan facilities of J.R. Foods Ltd were migrated to the Issuer Not Cooperating\* category as the company did not cooperate in providing information for rating review. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. The Company initiated the Corporate Insolvency Resolution Process(CIRP) on its own, to declare Moratorium and appoint Interim Resolution Professional under Sec 10 of I&B code 2016. However NCLT, Chennai Bench, vide its order dt 05 May 2020, has dismissed the same due to lack of disclosure or material particulars in accordance with law. The Company has not been submitting NDS as per extant regulations. Hence, based on the information from public sources regarding NPA status of the account and continued lack of management cooperation, Brickwork Ratings has reaffirmed the rating at BWR D and continued the rating in the ISSUER NOT COOPERATING\* category.

### Limitations of the Rating

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

### Key Financial Indicators

As per publicly available information, the company has reported operating income of Rs 74.25 Crs and net loss of Rs 38.96 Crs in FY19 as against operating income of Rs 176.62 Crs and net profit of Rs 1.51 Crs in FY18. Further the Company has achieved revenue of ~Rs 0.68 crs for 9MFY20.

### Company Profile

JRFL is a listed Company on BSE, incorporated in 1993 with its registered office in Pondicherry. The Company is engaged in manufacturing solvent extracted oils and refined vegetable oils.

### Status of non-cooperation with previous CRA - NA

#### Rating History For The Previous Three Years [including withdrawal and suspended]

Sl No	Facility	Current Rating (July 2020)			Rating History		
		Type	Amount (Rs. Crs)	Rating	11 June 2019	2018	2017
1	Fund Based Term Loan Cash Credit	Long Term	1.83 8.00	BWR D Issuer Not Cooperating *	BWR D Issuer Not Cooperating *	-	-
2	Non Fund Based Bank Guarantee FLC	Short Term	1.50 25.00				
	<b>Total</b>		<b>36.33</b>	<b>Rupees Thirty Six Crores and Thirty Three Lakhs Only</b>			

Note: Rs.36.33 Crs. of bank loan facilities of the Company were initially rated as BWR B/Stable on 27 Mar 2013. Subsequently upgraded to BWR B+ /A4 on 25 Feb 2015

\*Issuer did not cooperate; Based on best available information

### Complexity levels of the instruments

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

<ul style="list-style-type: none"> <li><a href="#">General Criteria</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Manufacturing Companies</a></li> </ul>
<ul style="list-style-type: none"> <li><a href="#">Approach to Financial Ratios</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">What Constitutes Non-cooperation</a></li> </ul>
<ul style="list-style-type: none"> <li><a href="#">Short Term Debt</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Default Recognition and Post Default Curing Period</a></li> </ul>

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**J.R. Foods Ltd**  
**ANNEXURE I - Details of Bank Facilities rated by BWR**

Sl. No.	Name of the Bank	Type of Facility	Long Term [Rs Cr]	Short Term [Rs Cr]	Total [Rs Cr]
1	Bank of Baroda	Cash Credit	8.00	-	8.00
		Term Loan	1.83	-	1.83
		Bank Guarantee	-	1.50	1.50
		FLC	-	25.00	25.00
<b>Total Rupees Thirty Six Crores and Thirty Three Lakhs Only</b>			<b>9.83</b>	<b>26.50</b>	<b>36.33</b>

Note: As per information available in Feb 2015.

*Vijaya Bank (now merged with Bank of Baroda)*



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